

REPORT BY THE
AUDITOR GENERAL
OF CALIFORNIA

**A REVIEW OF MANAGEMENT PRACTICES
AT FOLSOM STATE PRISON, THE DEUEL
VOCATIONAL INSTITUTION, AND THE
CALIFORNIA INSTITUTION FOR MEN**

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OFFICE OF THE AUDITOR GENERAL

P-529.3

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AND THE CALIFORNIA INSTITUTION FOR MEN

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Honorable Art Agnos, Chairman
Members, Joint Legislative
Audit Committee
State Capitol, Room 3151
Sacramento, California 95814

Dear Mr. Chairman and Members:

The Office of the Auditor General presents its report concerning management practices at three prisons: Folsom State Prison, the Deuel Vocational Institution, and the California Institution for Men. The management of these prisons needs to be improved. There are various problems at the prisons that are costing the State hundreds of thousands of dollars annually. Through better administrative control, these costs could be reduced and operations improved.

Respectfully submitted,


THOMAS W. HAYES
Auditor General

TABLE OF CONTENTS

	<u>Page</u>
SUMMARY	i
INTRODUCTION	1
CHAPTER	
I <u>THE DEPARTMENT OF CORRECTIONS LACKS A PREVENTIVE MAINTENANCE PROGRAM FOR PLANT AND EQUIPMENT IN ITS PRISONS</u>	7
PRISONS ARE NOT ROUTINELY INSPECTING AND MAINTAINING THEIR PLANT AND EQUIPMENT	7
THE DEPARTMENT OF CORRECTIONS' CENTRAL OFFICE HAS NOT IMPLEMENTED PREVENTIVE MAINTENANCE PROGRAMS AT THE PRISONS	12
CONCLUSION	13
RECOMMENDATIONS	14
II <u>PRISONS ARE SPENDING MORE ON FOOD THAN NECESSARY</u>	17
PRISONS HAVE INADEQUATE CONTROLS OVER FOOD	18
THE CENTRAL OFFICE'S ADMINISTRATIVE SERVICES DIVISION IS INADEQUATELY MONITORING THE FOOD SERVICES ACTIVITIES AT PRISONS	30
CONCLUSION	33
RECOMMENDATIONS	33
III <u>PRISONS NEED BETTER CONTROLS OVER EQUIPMENT, SUPPLIES, AND DRUGS</u>	37
PRISONS HAVE INACCURATE STOCK RECORDS AND DO NOT CONDUCT INVENTORIES	38
PRISONS ARE INADEQUATELY SAFEGUARDING EXPENDABLE SUPPLIES	41

TABLE OF CONTENTS (Continued)

	<u>Page</u>
PRISONS' CONTROLS OVER HIGHLY DESIRABLE PROPERTY ITEMS ARE INSUFFICIENT	43
PRISON MEDICAL STAFF ARE PRESCRIBING AND DISPENSING DANGEROUS DRUGS ILLEGALLY	46
THE CENTRAL OFFICE'S ADMINISTRATIVE SERVICES DIVISION AND THE HEALTH SERVICES UNIT DO NOT ENSURE THAT PRISONS CONTROL THEIR EQUIPMENT, SUPPLIES, AND DRUGS	48
CONCLUSION	52
RECOMMENDATIONS	52
<u>PROCUREMENT PRACTICES AT PRISONS ARE DEFICIENT</u>	57
PRISONS ARE NOT COMPLYING WITH STATE PURCHASING REQUIREMENTS	58
PRISONS ARE NOT MAKING A FAIR SHARE OF THEIR PURCHASES FROM SMALL BUSINESSES	62
PRISONS ARE NOT FOLLOWING APPROPRIATE PROCUREMENT PROCEDURES WHEN ORDERING SERVICES AND REPAIRS	65
THE CENTRAL OFFICE'S ADMINISTRATIVE SERVICES DIVISION AND ITS EVALUATION AND COMPLIANCE DIVISION ARE NOT PROVIDING ADEQUATE DIRECTION AND OVERSIGHT	68
CONCLUSION	71
RECOMMENDATIONS	72
<u>PRISONS ARE NOT EFFECTIVELY USING OVERTIME AND ARE ALLOWING EMPLOYEES TO WORK OUT OF THEIR JOB CLASSIFICATIONS</u>	77
THE PRISONS' USE OF OVERTIME IS NOT COST-EFFECTIVE	78
THE CENTRAL OFFICE NEEDS TO BETTER ANALYZE PRISONS' USE OF OVERTIME	79

TABLE OF CONTENTS (Continued)

	<u>Page</u>
PRISONS ARE ASSIGNING EMPLOYEES WORK OUT OF THEIR JOB CLASSIFICATIONS	81
THE CENTRAL OFFICE NEEDS TO IMPROVE ITS ADMINISTRATION OF THE STATE PERSONNEL CLASSIFICATION PLAN	86
CONCLUSION	88
RECOMMENDATIONS	90
VI <u>SOME PRISONS ARE NOT KEEPING ENOUGH INMATES IN WORK OR TRAINING ASSIGNMENTS</u>	91
PRISONS ARE NOT ASSIGNING SUFFICIENT NUMBERS OF INMATES TO WORK, TRAINING, OR EDUCATION PROGRAMS	91
THE CENTRAL OFFICE COULD IMPROVE ITS AUDITING AND ANALYSIS OF PRISONS' WORK AND TRAINING PROGRAMS	97
CONCLUSION	100
RECOMMENDATIONS	100
VII <u>PRISONS DO NOT ALWAYS COMPLY WITH THE DEPARTMENT OF CORRECTIONS' VOCATIONAL EDUCATION REQUIREMENTS</u>	103
PRISONS' ATTENDANCE RECORDS ARE INACCURATE	103
PRISONS' SURVEYS OF THE JOB MARKET NEED IMPROVEMENT	106
VOCATIONAL ADMINISTRATORS AT PRISONS DO NOT ALWAYS FOLLOW POLICY REQUIRING TRADE ADVISORY COMMITTEES	109
THE CENTRAL OFFICE'S GUIDELINES ARE UNCLEAR	110
CONCLUSION	112
RECOMMENDATIONS	113

TABLE OF CONTENTS (Continued)

	<u>Page</u>
APPENDIX	
METHODOLOGY FOR COMPARING COSTS OF OVERTIME WITH COSTS OF HIRING FULL-TIME EMPLOYEES	117
RESPONSE TO THE AUDITOR GENERAL'S REPORT	
YOUTH AND ADULT CORRECTIONAL AGENCY Department of Corrections	119
AUDITOR GENERAL'S COMMENTS ON THE DEPARTMENT OF CORRECTIONS' RESPONSE	167

SUMMARY

The management and administration of California's prison system needs to be improved. In fiscal year 1984-85, the State of California expended more than \$670 million to operate its prisons, which house over 48,000 inmates. As our review of Folsom State Prison (Folsom), the Deuel Vocational Institution (DVI), and the California Institution for Men (CIM) indicates, various problems in running these prisons are costing the State hundreds of thousands of dollars annually. While each of the prisons we reviewed has operational problems, the problems at Folsom are more serious than those at the DVI and the CIM. However, through better administrative control, the costs to run these prisons could be reduced and operations improved.

Lack of Preventive Maintenance

Compared to other government agencies, Folsom, the DVI, and the CIM have very weak preventive maintenance programs for routinely inspecting and servicing their plant and equipment. For example, none of the prisons had itemized checklists for their plant and equipment or formally scheduled any preventive maintenance. In addition, in most cases the prisons had incomplete records of the date of service and staff time spent on the maintenance of buildings and equipment. The lack of a preventive maintenance program commonly results in unnecessary repairs, inefficient operations due to breakdowns, and higher long-term costs because of accelerated deterioration of plant and equipment.

Excess Consumption of Food

The Department of Corrections is spending a significantly greater amount on food than is necessary to feed inmates adequate meals. Because prisons have deficient management practices for restricting food consumption, prison staff are inappropriately eating

food that should be eaten only by inmates, inmates are being served more food than prison policy allows, and inmates are stealing food.

In the three-month periods that we examined, the butcher shops at each prison sent to the kitchens at least 20 percent more of the meat items in our sample than was needed to feed inmates appropriate portions. We estimate that this excess consumption of meat alone at the three prisons costs the Department of Corrections at least \$509,000 annually.

Failure To Control Equipment, Supplies, and Drugs

Each of the three prisons has deficient practices for controlling equipment, supplies, and drugs. Some of these deficiencies have resulted in the loss or theft of highly desirable items such as calculators, a television, and an exercise bicycle. In addition, at each of the three prisons, medical staff are prescribing and dispensing dangerous drugs even though they are not authorized to do so by state law.

Procurement Practices Are Deficient

Procurement practices at the three prisons we reviewed are deficient. All three prisons made purchases without obtaining more than one price quotation, made purchases at retail prices of items that were available at lower prices on state contracts, made purchases without approval by authorized prison staff, and made purchases without attempting to include state-certified small businesses. Further, the prisons procured services and repairs worth thousands of dollars without following appropriate procurement procedures. As a result, the prisons are unfairly limiting the number of vendors having an opportunity to do business with the prisons and are unnecessarily paying higher prices for supplies. For example, based on a price comparison of nine different items, we found that one vendor who routinely did business with Folsom charged the prison prices that, on

the average, were approximately 18 percent higher than the prices charged by four other vendors we surveyed.

Ineffective Planning for Staffing Requirements

The Department of Corrections does not always plan effectively for all of its staffing requirements. Specifically, Folsom and the CIM require their custody personnel to work extensive overtime, which costs more than hiring regular full-time employees. Folsom and the CIM could hire a total of 67 additional full-time personnel for relief positions in lieu of paying overtime and still save approximately \$146,000 a year. This savings does not include the one-time costs of training the new personnel. In addition, custody personnel who work many 16-hour shifts each month may be fatigued, which affects the safety of staff and inmates and the security of the prisons.

Further, some Folsom, DVI, and CIM employees are working out of their job classifications in violation of state law. As a result, these employees may not be adequately trained for the duties they are performing. In addition, the State is incurring unnecessary costs when employees are performing the duties appropriate to job classifications that pay a lower salary. For example, if four of the employees in our sample worked in the correct job classifications, the State could have avoided salary costs of \$33,132 annually.

Too Few Inmates Are Assigned to Work, Training, or Education

Two of the three prisons we reviewed are not providing a sufficient number of inmates with work, training, or education assignments as intended by state law and Department of Corrections policy. As of November 7, 1985, 23 percent (482 of 2,126) of Folsom's general population inmates were not assigned, and, as of February 3, 1986, 16 percent (465 of 2,886) of the DVI's inmates were

not assigned. The inmates who are not assigned are earning time off their sentences without developing good work habits, occupying their time productively, or helping defray prison operational costs. Additionally, inmates who are legally eligible to earn work time credits at the accelerated rate are unable to reduce their prison terms as quickly as the law allows, and the State must pay the extra cost to incarcerate these inmates longer than legally necessary.

Vocational Education Policies Not Followed

Supervisors of the vocational education programs at Folsom, the DVI, and the CIM are not following several of the Department of Corrections' policies. Class attendance records and timecards at all three prisons were inaccurate, instructors at Folsom, the DVI, and the CIM did not complete statewide job market surveys as required by Department of Corrections policies, and instructors at Folsom and the CIM did not maintain trade advisory committees for their courses for fiscal year 1984-85 as required. As a result of these deficiencies, inmates received incorrect credit for the number of hours they attended class, courses the prisons offer may not accurately reflect opportunities for employment, and labor and industry support may be lacking.

Lack of Direction and Monitoring by the Department of Corrections' Central Office

The Department of Corrections' central office could help prevent and detect many of the problems we identified at the prisons. Various units within the central office have not provided the prisons with guidelines for performing certain functions and have not adequately monitored prison activities for which they are responsible.

INTRODUCTION

The California Department of Corrections is responsible for the confinement, care, treatment, and training of approximately 48,000 men and women whom the courts have convicted of committing serious crimes. The Director of Corrections administers the department, which includes a central office in Sacramento, 12 prisons, and 29 conservation camps throughout the State. The department classifies the prisons into four security levels: Level I (minimum security), Level II and Level III (medium security), and Level IV (maximum security). The department's goal is to place inmates in the lowest security level that will ensure the public safety. The department also bases its placement of inmates in prisons on available space, services needed by inmates, and security requirements.

The chief executive officer of each prison is either a warden or a superintendent. At each prison, a business services division is responsible for procuring goods and services, hiring employees, and maintaining personnel records. This division is also responsible for the feeding of inmates and for ensuring that the prison's buildings and equipment are properly maintained. Additionally, at each prison a chief medical officer is responsible for providing medical care to inmates and for prescribing and dispensing drugs.

The classification committee within each prison is responsible for assessing the stability of inmates and assigning one of eight

custody levels to them. These custody levels range from maximum custody, under which inmates require continuous surveillance and are essentially restricted to a security housing unit, to minimum custody, under which inmates can leave the prison to work and are supervised intermittently. This committee is also responsible for counseling inmates and matching their education, work experience, interests, and required custody level with appropriate work or training assignments.

The prisons are also responsible for developing programs and procedures for creating work and training assignments for inmates under the Department of Corrections' Inmate Work/Training Incentive Program. These programs include training assignments in the prisons' academic and vocational education programs. Eligible inmates can earn up to one day off their prison sentences for every day they participate in the program. Inmates with work assignments can also earn between \$10.90 and \$127.50 per month for 150 hours of work.

Folsom State Prison

Folsom State Prison (Folsom), which opened in 1880, is the State's second oldest prison and is one of the Department of Corrections' three maximum security prisons. Among Folsom's inmates are inmates serving long sentences, habitual criminals, hard-to-manage inmates, and inmates who are a risk to the safety of others. Folsom's main facility, located in the County of Sacramento, comprises 40 acres of walled enclosures. Within these enclosures are three blocks of

cells for the prison's general population inmates and two security housing units for maximum security inmates who cannot be safely included in the general population. Outside the main facility is a 410-man minimum security camp known as Folsom Minimum. Folsom is responsible for the confinement and care of approximately 3,000 inmates, and its fiscal year 1984-85 expenditures totaled more than \$43 million. The prison has approximately 832 authorized employee positions, 598 of which are for uniformed correctional officers and other security-related personnel.

California Institution for Men

The California Institution for Men (CIM), located on more than 2,500 acres in San Bernardino County, was opened in 1941. It presently consists of four separate facilities designed to house all levels of inmates, from minimum to maximum security. The facilities include two reception centers for newly sentenced male felons from southern California counties. The CIM houses over 5,000 inmates in its four facilities, and its fiscal year 1984-85 expenditures totaled approximately \$70.3 million. The prison has approximately 1,378 employees, 826 of whom are uniformed custody staff.

Deuel Vocational Institution

The Deuel Vocational Institution (DVI), located on 783 acres in San Joaquin County, is a medium security prison. It also has a

minimum security facility located outside the main prison. Presently, however, the DVI also houses some maximum security inmates. Within the main facility are ten wings that house all of its general population inmates. Another wing houses inmates who pose severe management and security problems and who are assigned to detention through the disciplinary process. The DVI houses approximately 3,200 inmates and its fiscal year 1984-85 expenditures were approximately \$45.7 million. The prison has approximately 847 employees, 525 of whom are uniformed custody staff.

SCOPE AND METHODOLOGY

The purpose of this audit was to review the management practices at Folsom State Prison, the California Institution for Men, and the Deuel Vocational Institution. We also reviewed the responsibilities and activities of the Department of Corrections' central office in administering the operation of the prisons.

To assess the management practices at the three prisons, we interviewed administrators and staff and reviewed records at each of the prisons. We focused our review on the following areas: preventive maintenance, food services, inventory control, procurement, overtime, job classification, inmate work and training assignments, and vocational education. We obtained comparative data on preventive maintenance programs from the Department of General Services and the United States Navy.

To determine the role of the Department of Corrections' central office in administering the operation of the prisons, we interviewed administrators and staff and reviewed records at the Department of Corrections' central office in Sacramento.

Our audit of Folsom was more comprehensive than our audit of the DVI and the CIM. We have reported the complete results of our Folsom audit in two other volumes, issued in March 1986: Report P-529, Volume 1, "A Comprehensive Review of Management Practices at Folsom State Prison--Report Summary;" and Report P-529, Volume 2, "A Comprehensive Review of Management Practices at Folsom State Prison." Volume 2 presents the detailed findings of our Folsom audit.

CHAPTER I

THE DEPARTMENT OF CORRECTIONS LACKS A PREVENTIVE MAINTENANCE PROGRAM FOR PLANT AND EQUIPMENT IN ITS PRISONS

Compared to other government agencies, Folsom State Prison (Folsom), the Deuel Vocational Institution (DVI), and the California Institution for Men (CIM) have almost no preventive maintenance program for routinely inspecting and servicing their plant and equipment. The lack of a preventive maintenance program commonly results in costly and unnecessary repairs, inefficient operations due to breakdowns, and higher long-term costs due to the accelerated deterioration of plant and equipment.

PRISONS ARE NOT ROUTINELY INSPECTING AND MAINTAINING THEIR PLANT AND EQUIPMENT

Government agencies have recognized the need for preventive maintenance, which refers to the systematic servicing and inspection of equipment or property to prevent failure or abuse. Preventive maintenance includes properly using, caring for, cleaning, preserving, and lubricating equipment and property. It also includes inspecting, adjusting, making minor repairs, and replacing parts. The routine inspections are designed to identify plant and equipment items that need to be repaired or replaced before premature deterioration or malfunctions occur.

Both the Department of General Services and the United States Navy have preventive maintenance programs for maintaining buildings and equipment. These agencies' programs include the following specific steps for inspecting and servicing their facilities:

1. Prepare a comprehensive list of all plant and equipment items that are the maintenance department's responsibility, and determine which of them should be routinely inspected and serviced.
2. Obtain and review appropriate manufacturers' operational and maintenance manuals to determine necessary routine inspection and service requirements.
3. Establish a formal preventive maintenance schedule that includes checklists of the inspections and servicing to be accomplished, the frequency of inspections and servicing, and the standard time it takes to perform the inspections and servicing of each item.
4. Use the appropriate checklists to inspect and service plant and equipment items, and note the condition of each item inspected by using maintenance cards. In addition, report any items needing repair or replacement, and record the actual time required to inspect and service the plant and equipment.

5. Schedule the next inspection and servicing for the item in question.
6. Periodically review the preventive maintenance program to ensure work is accomplished as planned, that standard times and scheduled frequencies are reasonable, and that facilities and equipment are neither over-maintained nor under-maintained.

Although each prison's operational procedures require a preventive maintenance program, none of the three prisons we visited had been following the basic steps outlined above. None of the three prisons' maintenance department administrators had itemized checklists for inspecting and servicing all plant and equipment items. Moreover, none of the maintenance departments formally scheduled preventive maintenance. Further, although all three prisons have some maintenance cards, we traced a sample of 34 equipment items (22 at Folsom, 5 at the DVI, and 7 at the CIM, respectively) to their locations and found that all the cards we sampled are no longer used. Folsom's cards had not been used since 1977; the DVI's cards had not been used since 1972; and the CIM's cards had not been used since 1969.

To determine if maintenance staff at various locations performed preventive maintenance on their equipment, we visited several areas of each prison such as the kitchen, boiler facility, and laundry. Staff at the locations we visited did not apply formal preventive

maintenance procedures. They told us that they serviced equipment when they thought servicing was needed or when the equipment broke down. However, although they did not use checklists or formal schedules, maintenance mechanics at the DVI told us that they service air conditioning units each spring when they are activated and that they perform routine maintenance, such as cleaning filters on laundry equipment. Similarly, the CIM staff said that they regularly lubricate some equipment.

We noted that boiler room staff at Folsom used maintenance cards to record servicing of equipment installed in January 1984 and that some staff recorded maintenance at the DVI and the CIM. For example, at the CIM, the staff recorded the servicing of some equipment located in one facility. Similarly, at the DVI, the boiler house staff maintained a log on the servicing of an emergency generator, and other staff also maintained a log for service they provide on some pumps and ventilating equipment. One of these logs contained a schedule by which to project maintenance needs; the schedule, however, has not been followed since November 1985. Furthermore, none of these maintenance records include information on the amount of staff time required for maintenance work.

Over an extended period, preventive maintenance programs can result in more productive use of facilities and decreased costs. On the other hand, the lack of an effective preventive maintenance program commonly results in costly and unnecessary repairs, inefficient

operations caused by breakdowns, and higher long-term costs caused by accelerated deterioration of plant and equipment. For example, a shop supervisor at the DVI stated that he had to replace three circuit breakers at a cost of \$2,800 because he did not maintain them. He stated that the circuit breakers shorted out when water leaked into them and that he would have been able to prevent the problem if he had inspected the electrical vault periodically rather than waiting until problems occurred. The supervisor also stated that there had been repeated power outages at the DVI dairy that resulted from a burned-out wire on a transformer. He stated that the problem would have been prevented if he had routinely inspected the electrical systems.

Maintenance staff at Folsom, the DVI, and the CIM stated they do not have time to carry out preventive maintenance because they must complete repair and construction projects and because there are maintenance staff shortages at each of the prisons. The maintenance staff, however, were unable to provide documentation of the time spent on nonmaintenance projects such as special construction projects. In addition, because they have not implemented the basic preventive maintenance steps, none of the three prisons has determined how much staff time is necessary to carry out preventive maintenance.

THE DEPARTMENT OF CORRECTIONS' CENTRAL
OFFICE HAS NOT IMPLEMENTED PREVENTIVE
MAINTENANCE PROGRAMS AT THE PRISONS

In addition to each prison's responsibility for implementing preventive maintenance programs, the Department of Corrections' central office is responsible for ensuring that its prisons have a sound program to carry out. However, the central office has not developed or implemented a standardized preventive maintenance program for all prisons. Further, although the chief deputy director of the Department of Corrections stated that the central office is responsible for monitoring maintenance activities at the prisons, the central office has not done so.

The chief deputy director stated that, in the last two years, preventive maintenance has not received priority by the central office because of other issues such as prison overcrowding. In addition, the central office has not clearly defined which division is responsible for preventive maintenance. The department's current Manual of Procedures for Central Office assigns responsibility for maintenance activities to both the Administrative Services Division's facilities services branch and the Planning and Construction Division's existing facilities day labor branch. However, it does not specifically mention preventive maintenance. In addition, the chief deputy director stated that yet another division, the Institutions Division, will have responsibility for monitoring the implementation of the new preventive maintenance program. However, the Institutions Division's

responsibility for preventive maintenance is not clearly defined in the manual of procedures.

The Department of Corrections developed a preventive maintenance plan between July 1985 and October 1985 at San Quentin State Prison. According to Planning and Construction Division staff, the division revised the plan for new and existing prisons and is preparing to test it prior to full implementation. However, the plan does not include procedures for central office monitoring of the implementation of preventive maintenance at each prison. Further, the proposed plan provides for a system to control, schedule, and record maintenance work. However, because the plan is integrated with a proposed work order system, it does not provide for the separate development of preventive maintenance staffing requirements. We are concerned that under this system, preventive maintenance requirements may again become secondary to other functions of the maintenance departments.

CONCLUSION

The Department of Corrections has not implemented a preventive maintenance program to ensure that all prisons maintain their plant and equipment. In addition, the department's central office has not monitored the preventive maintenance programs prescribed by the operations policies of individual prisons to verify that the policies are being followed. Lack of

preventive maintenance can result in costly and unnecessary repairs, inefficient operations due to breakdowns, and higher long-term costs due to accelerated deterioration of plant and equipment.

RECOMMENDATIONS

The Folsom warden and the superintendents at the DVI and the CIM should require their maintenance departments to take all the steps necessary to implement a preventive maintenance program. These steps should begin with a review of the maintenance departments' inventory of plant and equipment, and identification of those items needing regular inspections and servicing. Each maintenance department should develop detailed checklists based on manufacturers' specifications and requirements and determine the standard times for accomplishing the work. Next, the maintenance department should establish inspection schedules and begin the work. When the Department of Corrections' central office develops a standardized preventive maintenance program, each prison's maintenance department should revise its system to conform to the standardized program.

The Department of Corrections' central office should update its procedures manual to formally assign responsibilities for developing and monitoring a preventive maintenance program to

specific divisions within the central office. In addition, before completing development of its preventive maintenance plan, the department's central office should review the Department of General Services' "Staffing and Preventive Maintenance Manual." This review should focus on the need for documenting standard times required to perform specific preventive maintenance tasks and the integration of these tasks with preventive maintenance staffing requirements. The central office should also ensure that prisons do not subordinate preventive maintenance to other activities such as special construction projects.

CHAPTER II
PRISONS ARE SPENDING MORE
ON FOOD THAN NECESSARY

The Food Services departments at Folsom, the CIM, and the DVI are spending a significantly greater amount of money on food than is necessary to feed inmates adequate meals. This excess consumption of food occurs because the prisons' Food Services departments and custody personnel have deficient management practices for supervising inmate workers and inmate diners and for reporting and disciplining all violators of specific food control regulations and policies. In addition, the Food Services departments do not lock all food storage areas when staff are not present; do not provide appropriate portion sizes for all foods; and do not count, measure, or weigh unprepared and prepared food items. As a result, prison staff are eating food that should be eaten only by inmates, inmates are being served more food than prison policy allows, and inmates are stealing food.

To compensate for this excess consumption, the Food Services Departments must order, prepare, and serve more food than otherwise would be required for inmates. In the three-month periods that we examined, the butcher shops at each institution sent to the kitchens at least 20 percent more of the meat items in our sample than was needed to feed inmates appropriate portions. We estimate that this excess consumption of meat alone at the three prisons costs the Department of Corrections at least \$509,500 annually.

PRISONS HAVE INADEQUATE CONTROLS OVER FOOD

The prisons do not have sufficient controls to enforce state regulations and Department of Corrections and prison policies that are intended to ensure the efficient, cost-effective performance of the prisons' Food Services departments. For example, three sections of Title 15 of the California Administrative Code impose the following restrictions: Section 3053 prohibits inmates from stealing or removing food from food storage, preparing, and serving areas except as specifically authorized; Section 3006 prohibits inmates from possessing supplies, commodities, and substances in quantities greater than those allowed by prison policy (the prisons have interpreted this section to include food items, and the prisons' policies restrict the food items that inmates can possess to their ration of fresh fruit from meals and snack items from the canteen); and Section 3407 prohibits prison employees from eating inmate food except as authorized. In addition, the Department of Corrections and prison policies limit inmates to one portion of a food item per meal.

Supervising Inmate Workers and Diners

Food Services Department staff and custody personnel do not sufficiently supervise the activities of inmate workers and diners. For example, at both Folsom and the CIM, butcher shop staff were not supervising inmate workers while those workers were butchering meat and working in and around food storage areas. Also, at the CIM, inmate

workers are not routinely searched when they leave the butcher shop. At the DVI, we observed that the supervising cooks and culinary correctional officers were not supervising inmate workers while those workers were working in the kitchen and in and around food storage areas; the workers also are not routinely searched when they leave the kitchen. As a result of the deficient practices at all three prisons, unsupervised inmate workers can steal and eat food with little risk of being caught.

The butcher at Folsom stated that he leaves inmate workers unsupervised because he must be in other areas of the butcher shop and because he is the only staff person in the butcher shop other than a correctional officer. However, during our audit, we noted that the butcher was usually seated in the butcher shop office reading material unrelated to his job or visiting with the correctional officer rather than supervising the inmate workers in the butcher shop. At the CIM, the vocational meatcutting instructor stated that he leaves inmate workers unsupervised because he must be in other areas of the prison but that he notifies the butcher when he leaves. However, the butcher, who also is frequently away from the areas where inmates work, stated that the vocational meatcutting instructor frequently leaves the butcher shop without informing him. In addition, both the butcher and the meatcutting instructor stated that they are usually too busy to search inmate workers when the workers leave the butcher shop.

The food services manager at the DVI stated that supervising cooks and culinary correctional officers do not sufficiently supervise inmate workers because, until she became food services manager in December 1985, the DVI did not have a food services manager for approximately eight months. The food services manager further stated that the Food Services Department staff developed unsatisfactory work habits during this period. Inmate workers are not routinely searched when they leave the kitchen because the Food Services Department and the Custody Division each thought the other was searching the inmates.

Neither the Food Services Department staff nor the Custody Division staff at Folsom and the DVI appeared to be adequately supervising inmate serving lines. As a result, inmate diners were being served more than one portion of some food items, and some inmates were eating meals twice. At Folsom, this deficient practice was the result of confusion between the Food Services Department and the Custody Division as to who was responsible for controlling food on the serving lines. At the DVI, the food services manager and the correctional captain stated that during the noon meal, when most of the problems occur, there are few restrictions on inmates' movements because the Inmate Work/Training Incentive Program requires that all inmates be fed quickly so they can return to their work assignments. The correctional captain also stated that although the Custody Division is responsible for the food serving lines, he has an insufficient number of staff to monitor all inmate movement during the noon meal.

Food Storage Areas Are Not Locked
When Staff Are Not Present

Food Services Department staff at all three prisons do not keep food storage areas locked when staff are not present and thus cannot ensure that inmate workers do not steal or eat food to which they are not entitled. At each of the three prisons, inmates worked in and around unlocked food storage areas in the kitchens and butcher shops while kitchen and butcher shop staff were not present. At Folsom, inmate workers also requested and received food storage keys from the butcher and then proceeded unsupervised to the food storage areas. As a result of our audit, the food services manager transferred responsibility for the federal surplus food items stored in the butcher shop to a supervising cook and imposed strict requirements that the supervising cook lock the storage area whenever he is not present. At the CIM, we also observed that prison staff who did not work in the butcher shop frequently entered the butcher shop unnoticed and took food items from the meat storage areas without informing butcher shop staff or recording that they took the items. In addition, the butcher shop staff at the CIM and the DVI stated that a number of persons have keys to the butcher shop and that some of these persons enter the butcher shop after the staff leave and take meat items without recording that they took the items. At the DVI, we observed that inmate workers frequently ate food stored in food lockers in the kitchen once supervising cooks unlocked the food lockers and left the immediate area. The practices at each of the prisons defeat the purpose of locking the food storage facilities. Both the CIM and the

DVI have taken action to restrict access to the butcher shops by changing locks and by granting access to the keys only to specific staff during and after work hours.

Providing Written Instructions on Portion Sizes for All Food

The CIM and the DVI provided written instructions on portion sizes for the food items we reviewed. However, Folsom's Food Services Department does not always provide updated written instructions on the sizes of food portions. In addition to being necessary to ensure that meals prepared and served are nutritionally adequate, this control is necessary to ensure that overconsumption does not occur. Although the Food Services Department has a chart and lists that stipulate portion sizes for meats and other foods, the food services manager has not always kept these documents updated. As a result, staff gave conflicting statements on the authorized portion sizes of certain cuts of meat. When Folsom's food policy is unclear, butchers and staff can make conflicting interpretations of the policy, resulting in cuts of meat that are either too large, costing the State more money, or too small, depriving the inmates of their authorized portions of food.

Counting, Measuring, or Weighing Unprepared and Prepared Food

The Food Services departments at each of the three prisons do not routinely count, measure, or weigh unprepared and prepared food to

ensure that inmate workers, inmate diners, and staff do not steal or eat excessive portions of food.

For example, the butcher shop at the CIM does not routinely weigh all meat delivered to the CIM from vendors to ensure that the weights agree with the vendors' invoices. At Folsom, the butcher shop weighs all meat delivered by vendors, but the kitchen, like the kitchens at the CIM, does not weigh or measure in some other way the meat that the butcher shop delivers to the kitchen to verify the amount that the butcher shop reports as having been delivered. Verifying deliveries is important because the butcher shops and the kitchens are far enough apart at both of these prisons to require the use of a delivery truck, and numerous personnel have access to the meat during the delivery process. Further, at both the CIM and Folsom, once the kitchens have prepared the meat to be served, the kitchen staff do not account for the meat items that they deliver to serving areas. Serving areas at both prisons include the dining rooms, the security housing units, and the infirmaries. In addition, at these two prisons and at the DVI, custody personnel do not count the number of meals and inmates that are served. As a result of these deficiencies in accounting for meat items, inmates and staff are taking or eating meat during preparation, delivery, and service. For example, on one occasion during our review at the CIM, we noted that several trays of steaks awaiting delivery to the kitchens were missing between 80 and 100 steaks. The vocational meatcutting instructor stated that the steaks had been stolen.

Other than the main kitchen at the CIM, food preparation areas at the CIM and at Folsom do not have scales that are capable of weighing the bulk meat being delivered from the butcher shop. The kitchens at the CIM do not have small-portion scales to ensure that the inmate butchers are not cutting excessively large portions. The kitchen at Folsom does have small-portion scales, but it does not use these scales. The CIM has ordered five small-portion scales for the butcher shop staff to ensure that inmate butchers are not cutting excessively large portions of meat items. Also, Folsom has ordered six additional small-portion scales to monitor portion sizes throughout the food preparation process.

Compiling and Providing Periodic Reports to Management

The Food Services departments at each of the three prisons do not provide to the management of the Business Services divisions periodic food consumption reports that adequately detail excess consumption. The Food Services departments should prepare monthly reports that compare quantities of food purchased, delivered, and consumed with the quantities of food necessary to feed inmates. Such periodic reports can assist management in identifying potential overconsumption problems and taking corrective action.

During our discussion of the results of our meat overconsumption analysis with Business Services Division staff at each of the prisons, various members of the management of the Business

Services divisions (the associate warden for business services at Folsom, the chief deputy superintendent at the CIM, and the business manager at the DVI), stated that they were not aware of the extent of the overconsumption of meat. Accurate, detailed food consumption reports would bring such overconsumption to their attention.

Reporting and Disciplining Violators of Food Control Policies and Regulations

Food Services Department and custody personnel do not report and discipline violators of food control policies and regulations. Consequently, inmates and staff are not deterred from taking and eating food to which they are not entitled.

During our review of the butcher shops at Folsom and the CIM, we noted that, between scheduled meals, the butcher shop staff allow inmate workers to eat some food items stored in the butcher shops or taken from the kitchens. The unauthorized food includes federal surplus items such as cheese, butter, peanuts, and raisins as well as hot dogs, sandwiches, and milk purchased by the prisons.

The butcher at Folsom stated that he allows inmate workers to eat food stored in the butcher shop in an attempt to reduce pilferage of other, more expensive food items. In addition to encouraging an improper practice, the butcher's plan may not be working as anticipated. We observed specific instances in which inmates pilfered meat items during our review. Food Services Department staff and

correctional officers also related instances of attempted thefts of food during the period of our review. The butcher shop staff at the CIM stated that they allow inmate workers to eat food as snacks between meals or because the workers could not or did not eat during their scheduled meals.

On five occasions, three at Folsom and two at the DVI, we observed at least one unauthorized prison employee eating food that the Food Services Department had prepared or stored for inmates. On one occasion at Folsom, the food services manager accompanied us to a food serving area and also observed an employee eating inmates' food. At the DVI, we were also accompanied by prison staff (the food services manager on one occasion and a correctional sergeant on the second occasion) when we observed employees eating inmates' food. However, none of the staff at either prison took disciplinary action against the individuals eating inmates' food. In addition, the food services manager at Folsom stated that Food Services Department staff and inmates confidentially complain to him that unauthorized Custody Division staff eat food intended for the inmates. The correctional captain at the DVI stated that the DVI has had a history of problems with prison staff eating inmate food. As a result of our audit, management at Folsom and at the DVI have stated that they will reiterate to prison staff the rules and regulations prohibiting employees from eating inmates' food. When prison staff eat food intended for inmates, the prison must spend additional state funds to replenish food supplies, and kitchen staff must prepare additional food.

In our opinion, employees eat inmates' food because employees know it is unlikely that anyone will either observe them or reprimand them if they are caught or reported. For example, at Folsom, the associate warden for business services and the business manager stated that they attempt to make unannounced visits to the food preparation and serving areas. However, they stated that making unannounced visits is difficult because custody staff know they are coming because of the Custody Division's security and communications systems, which monitor all people entering the various prison gates and buildings. The food services manager further stated that even if he did observe unauthorized employees eating inmates' food, he is not responsible for reporting the employees unless they are Food Services Department employees. However, the business manager and the associate warden for business services stated that all management employees, including the food services manager, are responsible for reporting or taking appropriate action against all unauthorized employees eating food intended for inmates.

Although we could not quantify the extent that each type of control deficiency contributes to the excess consumption of food, our review of a sample of meat items at each prison determined that, in total, the excess consumption is substantial. Using portion sizes from the Food Services Department's meat charts at each prison, we compared the quantity of meat necessary to feed one complete meal to each inmate diner with the quantity that the butcher shops' records indicated was sent to the kitchens in selected three-month periods (quarters). At

Folsom, we analyzed the excess consumption of a sample of 15 meat items during the first quarter of fiscal year 1985-86; at the CIM, we reviewed a sample of 6 meat items for the quarter of November 1985 through January 1986; at the DVI, we reviewed a sample of 6 meat items for the second quarter of fiscal year 1985-86.

Table 1 illustrates the amount and cost of overconsumption at each prison for the items in our sample. The table also shows the range of overconsumption within each sample; the overconsumption of some meat items such as roast beef was less than for more desirable meat items such as steaks.

TABLE 1
OVERCONSUMPTION OF SELECTED MEAT ITEMS
DURING THREE-MONTH PERIODS AT EACH PRISON

<u>Prison</u>	<u>Range of Excess Consumption</u>		<u>Average Excess Consumption</u>	<u>Adjusted Average Excess Consumption*</u>	<u>Cost for Sample Quarter*</u>
	<u>Low</u>	<u>High</u>			
Folsom	3.25%	86.42%	27.4%	22.4%	\$29,123
CIM	14.61%	73.34%	34.5%	29.5%	\$69,766
DVI	9.47%	39.83%	25.8%	20.8%	\$26,248

*The adjusted percentages and the costs for the sample quarters reflect a 5 percent allowance for wasted food caused by occurrences such as cooking mistakes.

Since the DVI food services manager began work in December 1985, we also calculated the overconsumption of six meat items

in our sample for January 1986. The overall overconsumption rate was 18.5 percent. If this rate is indicative of overconsumption rates in subsequent months, the overconsumption rate at the DVI will be lower than the rate for the quarter we sampled.

If the rate of overconsumption during the quarters we sampled is representative of the rate of overconsumption annually, then overconsumption of the meat items we sampled at the three prisons costs the State an estimated \$509,500 annually: \$129,000 at Folsom; \$256,000 at the CIM; and \$124,500 at the DVI.

Our interviews with prison staff and our review of food records corroborate our conclusions about overconsumption. The food services managers at Folsom and the CIM stated that, to compensate for the deficiencies in servings to inmates caused by pilferage and overconsumption, they instruct the butchers to deliver 10 percent more meat than is necessary to feed inmates their allotted quantities. The food services manager at the DVI stated that, historically, the butcher has delivered an additional 10 percent but that the food services manager has since reduced that quantity to 6 percent. Further, although we did not audit their accuracy, records in the Food Services departments at all three prisons indicated substantial overconsumption of meat for each of the two quarters before our sample quarters.

THE CENTRAL OFFICE'S ADMINISTRATIVE
SERVICES DIVISION IS INADEQUATELY
MONITORING THE FOOD SERVICES
ACTIVITIES AT PRISONS

In addition to each prison's responsibility for exercising sufficient controls over food consumption, the Department of Corrections' central office is responsible for ensuring the efficient, cost-effective performance of the prisons' feeding programs. The Department of Corrections' Administrative Manual Section 128 states that the deputy director for administrative services is responsible for the evaluation, coordination, and direction of the business management activities at the various prisons. Within the Administrative Services Division, the contract and business services section is responsible for administering food control and the feeding program for the prisons. The section chief directs the departmental food administrator in administering and monitoring the feeding program at the prisons to ensure that prisons are carrying out their feeding programs properly.

Both the section chief and the departmental food administrator agree that the food administrator is responsible for ensuring that the prisons operate their feeding programs efficiently and cost-effectively. They agree that, to do this, the departmental food administrator should periodically visit prisons to monitor their food control and should ensure that the prisons submit uniform quarterly reports on their food consumption. Furthermore, the food administrator agrees that, since he is required to provide training to the prison, he should train the prisons' staff to exercise sufficient controls to enforce state regulations and policies restricting food consumption.

As the deficient management practices at the prisons indicate, the departmental food administrator currently is not ensuring that the prisons operate their feeding programs efficiently and cost-effectively. Although the food administrator stated that he has made one-day visits to the prisons to review the prisons' compliance with sanitation, safety, and recordkeeping requirements, he has not reviewed the prisons' controls for restricting food consumption. Furthermore, the departmental food administrator has not provided training to prison staff on this subject. However, the food administrator stated that he is currently working with the Department of Corrections' inspector general to develop a checklist for the feeding program that he plans to use in evaluating the prisons' efficiency and cost-effectiveness.

The food administrator has also not ensured that the prisons are consistent in the way they perform food consumption analyses in their quarterly Food Ration Analysis reports to the central office. The food administrator and one prison's food services manager acknowledged that the prisons report items in the Food Ration Analysis differently. They cited, for example, that some prisons report bacon in the meat category, whereas others report bacon in the fat category.

Because of inconsistencies in the Food Ration Analysis reports, the food administrator does not use them to monitor overconsumption at prisons, report overconsumption to the Department of Corrections or prison management, and recommend corrective action.

However, despite these inconsistencies, the food administrator has been using the reports to assist in developing the prisons' annual food budgets. The food administrator stated that he intends to develop uniform guidelines for completing the Food Ration Analysis reports and plans to personally instruct the prison food services managers on how to apply the guidelines.

The departmental food administrator and the section chief stated that the food administrator does not adequately monitor the prisons' controls restricting food consumption because the food administrator has been too busy working on other assignments. These assignments include developing a handbook to provide the prisons' food services managers with clear and consistent food service policies, procedures, and standards. The departmental food administrator stated that he has been the food administrator for approximately one and one-half years, that he has no staff, and that before he held the position, the Department of Corrections did not have a food administrator for approximately one year. The section chief stated that during the time the food administrator position was not filled, the Department of Corrections started designing the food services areas of prisons currently being constructed, and since the food administrator was appointed, he has been busy reviewing the designs of the new food service areas. Finally, both the section chief and the food administrator stated that, historically, the role of the central office toward the prisons has been to consult with them rather than to control and oversee their activities.

CONCLUSION

The Food Services departments and custody personnel at Folsom, the CIM, and the DVI do not exercise the controls necessary to prevent the theft and overconsumption of food. As a result, unauthorized inmate workers and prison staff eat food meant for inmates. In addition, inmate diners eat more than their authorized portions. Therefore, the prisons must spend additional state funds to replenish food, and Food Services Department staff must work to prepare additional meals to feed all inmates.

In addition, the Department of Corrections' central office does not ensure that the prisons operate their feeding programs efficiently and cost-effectively because the central office neither effectively monitors the prisons' controls for restricting food consumption through on-site visits, nor receives accurate food consumption reports by which to detect significant overconsumption.

RECOMMENDATIONS

The Food Services departments at Folsom, the CIM, and the DVI should develop better controls over food. The Food Services departments should ensure that all employees, including the butcher shop staff, appropriately supervise inmate workers

whenever inmates are working with food. The Food Services departments should also keep all food storage areas locked unless staff are present, and the food services managers should provide written instructions on portion sizes for all food items. Further, the Food Services departments and custody personnel should ensure that inmates receive only authorized portions and that all inmates (including inmate workers) receive only one serving per meal. In addition, the Food Services departments should routinely count, measure, or weigh unprepared and prepared food at important points in the food storage, preparation, and serving process. The Food Service departments should use scales and mechanical counters when appropriate. The food services managers should regularly reconcile the meals served to meat portions consumed and report at least monthly to the appropriate management on excess consumption and food waste.

The butchers at each of the prisons should not allow inmates to take or consume food stored in the butcher shops. In addition, the appropriate managers should make periodic, unannounced visits to check for employees who violate regulations prohibiting the consumption of inmates' food and notify employees of the specific disciplinary action that will be taken against violators.

The Department of Corrections' central office should ensure that the prisons operate their feeding programs efficiently and cost-effectively. The departmental food administrator should train the prisons' food services staff to exercise sufficient controls in restricting food consumption. He should also periodically review the prisons' controls to ensure that the prisons comply with state requirements restricting food consumption. Finally, the food administrator should ensure that the quarterly Food Ration Analysis reports are accurate and that he uses them to monitor prison food consumption.

CHAPTER III

PRISONS NEED BETTER CONTROLS OVER EQUIPMENT, SUPPLIES, AND DRUGS

Folsom, the DVI, and the CIM have deficient practices for controlling equipment, supplies, and drugs. For example, Folsom's Plant Maintenance and Operations Department (maintenance department) does not maintain any records of the number of expendable property items (items generally having a unit cost of less than \$150) received, issued, and stored in its warehouse, and Folsom maintenance department staff are ordering from vendors supplies that are already stored in the warehouse. As a result, the maintenance department stores obsolete items and excess quantities of items at an unnecessary cost to the State. Moreover, the DVI and the CIM maintain inaccurate records of property items in their maintenance department warehouses. Furthermore, Folsom and the CIM do not periodically inventory the items in their maintenance department warehouses, and the maintenance departments at all three prisons and the Vocational Education Program (vocational education) at Folsom do not adequately safeguard all of their supplies. In addition, each of the prisons keeps inaccurate records on the issue and location of highly desirable expendable or nonexpendable property items (items generally costing over \$150) and does not maintain records on the transfer of highly desirable property between locations within each prison. As a result of the lack of control over the storage and issue of expendable and nonexpendable property items, the prisons are inexplicably missing tools and supplies. The loss of these property items results in the State's spending funds to replace the missing property.

In addition, at each of the three prisons, medical staff are prescribing and dispensing dangerous drugs even though they are not authorized to do so by state law. Unauthorized staff who prescribe and dispense drugs may be guilty of misdemeanors and may be placing inmates' health in jeopardy.

PRISONS HAVE INACCURATE STOCK RECORDS
AND DO NOT CONDUCT INVENTORIES

The State Administrative Manual (SAM) Section 3535 requires that state agencies having warehouses of a certain size, such as those at Folsom, the CIM, and the DVI, maintain stock records and conduct annual physical inventories. Further, SAM Sections 10832 and 10851 require that agencies maintain stock records for materials and supplies that are for stock and not for immediate use. By maintaining accurate stock records and conducting inventories to validate these records, agency staff have detailed, accurate information about the quantities of supplies they have on hand. This information assists managers in making better decisions about when and in what quantities to reorder supplies. Without this information, agencies are more likely to maintain costly excess stock, retain obsolete items, and completely deplete stock. In addition, maintaining stock records allows agencies to coordinate the requisition of supplies by various units and to avoid needlessly and unknowingly purchasing items already in stock.

Contrary to the SAM requirements, Folsom's maintenance department does not maintain stock records on the supplies in its

warehouse and maintenance shops. Similarly, when the maintenance department warehouse at the CIM issues supplies to the maintenance shops, the shops do not maintain stock records for the items even though the shops do not immediately use the items. Furthermore, at the CIM and the DVI, the maintenance departments maintain inaccurate stock records on the supplies in their warehouses. At the CIM warehouse, four of the five stock cards we reviewed did not accurately identify the amount of stock on hand. Three of the stock cards reflected negative amounts of supplies. At the DVI warehouse, seven of the ten stock cards we reviewed were inaccurate. Also, contrary to the SAM requirements, neither Folsom's nor the CIM's maintenance department conducts annual physical inventories of the supplies in its warehouses and maintenance shops.

As a result of the maintenance departments' failure to maintain accurate stock records and conduct annual inventories of expendable supplies, the maintenance departments store obsolete items and excess quantities of items. This situation is costly and burdensome. For example, the DVI stores more than 7,000 pairs of earphones that, according to the maintenance warehouse supervisor, are obsolete because the DVI eliminated a work project to wire all inmates' cells to receive taped music. The warehouse supervisor further stated that the DVI has had the earphones in stock since February 1985. At Folsom, excess quantities of stored items include 57 pitchforks that the warehouse supervisor estimates is a 19-year supply and 15 bathtubs that he estimates is a 5-year to 7-year supply. The DVI warehouse

supervisor estimates that the maintenance department stocks over 400 flush valves that will supply the DVI for approximately ten years. Because none of the three prisons routinely identifies and eliminates obsolete and excess stock, the State loses funds because of the obsolescence, deterioration, damage, and pilferage of stock, and the State fails to gain revenue from selling excess quantities of stock. Further, prison staff must spend time in handling these items, and the prisons may also be carrying excess stock that other institutions or agencies need.

During our audit at Folsom, the assistant chief of plant operations directed the warehouse supervisor to conduct a complete physical inventory of all items and to establish stock records.

A further result of incomplete and inadequate stock records is that the departments cannot effectively use a centralized warehousing system. Without stock records, warehouse supervisors do not know what items they have in stock, and shops requisitioning items cannot wait for the warehouse supervisors to find out, especially if they have urgent work to accomplish or he is not at the warehouse. Consequently, Folsom's chief of plant operations, for example, allows the maintenance shops to routinely circumvent the maintenance warehouse and to request supplies through him from the procurement office. This practice results in the maintenance department's needlessly ordering items that the warehouse has in stock. For example, one of the maintenance shops ordered two garbage disposals from a local vendor at a total cost of

\$256.36 even though the maintenance warehouse already had in stock two garbage disposals for which it had paid \$201.60.

Recognizing the need to better coordinate purchasing within his department, Folsom's chief of plant operations stated that, before he approves requests in the future, shop supervisors and any other maintenance staff ordering supplies must submit all purchase requests through the maintenance warehouse supervisor for review. He has also ordered a complete inventory of all items on hand.

PRISONS ARE INADEQUATELY
SAFEGUARDING EXPENDABLE SUPPLIES

The maintenance departments at each of the three prisons and the vocational education program at Folsom do not adequately safeguard their expendable supplies against theft and misappropriation. According to the Department of General Services' Statewide Materials Management Training Handbook, safeguarding materials should be accomplished by locking warehouses and storage areas when not in use, restricting access to keys, monitoring points of entry and departure during operating hours, and restricting the accessibility of stored materials to warehouse employees.

The maintenance warehouse supervisors at Folsom and the DVI regularly leave their maintenance warehouses unattended and unlocked while they pick up items delivered by vendors at their prisons' receiving warehouses. The warehouse supervisor at the DVI stated that

he is gone for up to two hours at a time. Although Folsom's maintenance warehouse supervisor locks the building at the end of the day, he stated that an unknown number of people have keys to the warehouse. The warehouse supervisor stated that when he unlocks the warehouse in the morning, he sometimes discovers items missing that were there when he locked the warehouse the previous day. During our audit, the assistant chief of plant operations asked the Folsom locksmith to change all locks in the maintenance department. Although the maintenance warehouse supervisor at the CIM does not leave the warehouse unlocked or unattended, she does allow maintenance shop supervisors to enter the warehouse, select the supplies they need, and leave without her verifying the amount or type of supplies they take. This practice defeats the purpose of locking the warehouse.

Despite the availability of office space at the main entrance of Folsom's warehouse, the maintenance warehouse supervisor keeps his office in an area of the building that restricts his ability to see persons entering or leaving the warehouse. Further, during working hours, he leaves open both doors to the warehouse, one of which cannot be easily seen from his office. Because he is the only Folsom employee in the warehouse, it is imperative that he allow entry to the warehouse through one door that he can continually monitor from a suitably placed office.

In Folsom's vocational education program, the vocational education instructors do not store their expendable supplies in locked

areas. Further, they regularly leave the supplies unattended. Several of the vocational education instructors stated that they do not keep stock records for expendable items.

As a result of the three prisons' failure to safeguard all of their expendable supplies, they cannot account for some of their supplies. At the CIM, for example, the maintenance warehouse could not account for 100 pairs of work boots purchased in July 1985.

Similarly, Folsom's vocational education instructors could not account for five of ten quantities of items that we attempted to trace. These items included tools and automotive equipment. Although we were able to locate a portion of the quantities in three of the five instances, the vocational education instructors could not account for many items. For example, vocational education could not account for 8 of the 22 car batteries purchased in August 1984. In the remaining two of the five instances, vocational education could not account for any of the quantities it purchased. When the prisons cannot account for supplies, they must needlessly spend state funds to replenish the stock of unaccounted-for supplies.

PRISONS' CONTROLS OVER HIGHLY DESIRABLE
PROPERTY ITEMS ARE INSUFFICIENT

The prisons' property offices do not adequately control highly desirable property in accordance with the SAM. The SAM establishes a special category of property, called "sensitive property," that

includes both expendable and nonexpendable property items. Sensitive property items are any highly desirable and portable items such as calculators, typewriters, dictaphones, cameras, and microscopes. The SAM further states that, to maintain control over sensitive property, agencies should maintain a record of each item and assign accountability for each item to specific individuals. To facilitate holding individual personnel accountable for sensitive property, SAM Section 8652.4 specifies that agencies should use a check-out, check-in system that includes the name of the person to whom the item is assigned, the date assigned, and the item's location and identification number. The system thus controls the movement of property. To encourage individuals to safeguard property, the SAM requires them to immediately report any items missing from their custody and allows agencies to hold individuals liable for lost property if they were negligent in safeguarding it. In addition, SAM Section 8657.1 states that agencies should consider engraving sensitive property with the name of the State, the name or initials of the agency, and the item's identification number. With these controls in place, agencies can minimize the unaccountable loss, careless transfer, or theft of sensitive property.

Contrary to the SAM requirements, all three prisons we reviewed failed to adequately control their sensitive property. For example, Folsom's property office does not assign custody for highly desirable property to particular individuals and does not require the units that are responsible for property items to have a check-in,

check-out system. As a result, no one person is held accountable for missing property. Furthermore, units that are responsible for property items at both Folsom and the CIM do not always notify the property offices when they transfer property from one location to another. Consequently, Folsom could not account for 6 (12 percent) of the 49 highly desirable property items we attempted to locate, and the CIM could not account for 4 (10 percent) of the 40 highly desirable property items we attempted to locate. The missing property included calculators, a television, exercise bicycles, and other highly desirable items. At the DVI, we were able to locate 38 of the 40 items in our sample. The items that we could not locate were not accountable under DVI policy because units are not held responsible for items costing less than \$100. During our review, the DVI's business manager issued a memorandum to all division heads requiring them to account for all property items that cost less than \$100 but had not been previously accounted for.

Finally, the CIM inadequately separates the duties over property and equipment. Because the CIM has only one employee in the property office, the person who maintains property records, verifies existing property against property and accounting records, and disposes of obsolete property, is also the custodian of all unassigned property and equipment. As a result, this employee could take state property and conceal the fact that the property is not accounted for. When property is lost or stolen, the prisons must spend state funds to replace it.

PRISON MEDICAL STAFF ARE PRESCRIBING
AND DISPENSING DANGEROUS DRUGS ILLEGALLY

At each of the three prisons, medical staff are prescribing and dispensing dangerous drugs even though they are not authorized to do so by state law. Consequently, the staff may be guilty of misdemeanors and may be placing inmates' health in jeopardy.

Each pharmacy stocks three types of drugs: controlled drugs, legend drugs, and nonprescription drugs. Controlled drugs are dangerous drugs that have a potential for abuse, for risk to public health, and for psychological and physiological dependence. Legend drugs are dangerous drugs that are habit-forming or unsafe for self-medication because of toxicity or potential harmful effect; they are restricted to distribution by prescription only. Legend drugs must also be labeled "Caution: Federal law prohibits dispensing without a prescription." Nonprescription drugs are drugs that may be legally dispensed without a doctor's prescription.

The Business and Professions Code Section 4036 states that only physicians, dentists, podiatrists, veterinarians, or, in certain circumstances, pharmacists, registered nurses, and physician's assistants may prescribe drugs or write prescriptions. The Business and Professions Code Section 2052 states that any person who prescribes medication without being authorized to do so is guilty of a misdemeanor. In addition, Section 4387 states that any person other than a registered pharmacist or, in certain circumstances, a physician,

who dispenses dangerous drugs is also guilty of a misdemeanor. The code defines "dispensing" as the furnishing of drugs upon a prescription from a physician. Furthermore, Section 4385 states that any person who permits the dispensing of dangerous drugs by a person other than a registered pharmacist or, in certain circumstances, a physician is guilty of a misdemeanor.

Unauthorized medical technical assistants at all three of the prisons we visited are prescribing dangerous drugs to inmates. Thirty-five of the 74 medical files we reviewed contained prescriptions written by medical technical assistants and registered nurses rather than by physicians. According to the Department of Corrections' chief of health services, the DVI has procedures that allow medical technical assistants and registered nurses to prescribe certain dangerous drugs without approval of a physician. These procedures, however, are illegal. Thirty-four of the 35 prescriptions that had been written by medical technical assistants and registered nurses at the three prisons were never approved by physicians. Medical staff at all three of the prisons may be guilty of misdemeanors, and they are placing inmates' health in jeopardy if the prescriptions are inappropriate.

Unauthorized medical staff, including medical technical assistants at all three prisons and a registered nurse at Folsom, are also dispensing dangerous drugs to inmates. We observed medical technical assistants dispensing drugs in the pharmacy at Folsom, in the infirmary at the DVI, and in the clinics at the CIM. Medical technical

assistants are dispensing dangerous drugs at Folsom and the DVI because the prisons employ only one pharmacist each. Furthermore, Folsom's pharmacy and the DVI's infirmary are open when the pharmacists are off-duty. At the CIM, medical technical assistants are dispensing dangerous drugs to inmates because the CIM does not have pharmacists at any of its clinics.

Because unauthorized medical staff at the prisons dispense dangerous drugs, the medical staff may be guilty of misdemeanors. Furthermore, the inmates' health may be jeopardized if a registered pharmacist is not available to dispense drugs. For example, one of the files we reviewed at Folsom indicated that a registered nurse dispensed a dangerous drug to an inmate earlier than the time indicated on the prescription because the inmate was complaining of pain. Folsom's chief medical officer stated that the registered nurse should not have dispensed the medication but instead should have notified either the dentist who prescribed the medication or the on-call physician because the pain may have been an indication of a serious medical problem.

THE CENTRAL OFFICE'S ADMINISTRATIVE SERVICES
DIVISION AND THE HEALTH SERVICES UNIT DO NOT
ENSURE THAT PRISONS CONTROL THEIR
EQUIPMENT, SUPPLIES, AND DRUGS

Although the prisons are individually responsible for controlling equipment, supplies, and drugs, the Department of Corrections' central office is responsible for overseeing these activities at the prisons. The Department of Corrections' Manual of

Procedures for Central Office, Chapter 200, Section 208, states that the Administrative Services Division is responsible for evaluating, coordinating, and directing the business management activities at the various prisons. The chief of the business services unit is responsible for developing programs, coordinating statewide programs, and supervising the records management of the prisons. The Manual of Procedures for Central Office Section 206 states that the health services unit is responsible for monitoring the Department of Corrections' medical program and for providing administrative and consultative services to the prisons. The section also states that a major objective of the health services unit is to ensure that the program is in compliance with licensing and accreditation standards. In addition, the Department of Corrections' inspector general is responsible for reviewing prisons' compliance with existing statutes. However, neither the Administrative Services Division, the health services unit, nor the inspector general is completely fulfilling these responsibilities.

As part of a November 1982 comprehensive review of the Department of Corrections' materials management program, the Department of General Services reviewed each of the prisons' maintenance warehouse operations and found many of the same deficiencies we found. The Department of General Services recommended that the Department of Corrections hire a materials management coordinator to periodically inspect the prisons to ensure that they comply with department policies and guidelines. The reviewers observed that none of the prisons'

operational procedures manuals contained specific written guidelines on each materials management function and, as a result, the staff at each prison were using personal judgment instead of specific written procedures. The plan stated that the Department of Corrections should update its Business Administration Manual to include specific policies and procedures concerning property. As of March 1986, the manual had not been updated.

To improve its materials management program, the Administrative Services Division has tried twice to obtain a materials management coordinator position. One request was denied within the Department of Corrections, and the second request was denied by the Department of Finance. Although the materials management coordinator would have reported to him, the chief of the business services unit stated that he has not assigned these responsibilities to any current personnel because the staff in his office are already working a significant amount of overtime because of the rapid rise in the number of prisons, inmates, and parolees.

The chief of health services stated that it would be impossible to require the prisons to permit only physicians and dentists to prescribe dangerous drugs and only pharmacists to dispense dangerous drugs because there are not enough physicians, dentists, and pharmacists at the prisons to handle the rapidly growing inmate population. He further stated that when he had been the chief medical officer at the DVI, he allowed medical technical assistants and

registered nurses to prescribe certain legend drugs. However, the executive officer of the State Board of Pharmacy agreed that unauthorized medical staff may not prescribe and dispense dangerous drugs. In budget requests for fiscal years 1985-86 and 1986-87, Folsom's chief medical officer requested an additional pharmacist position to work in the pharmacy when the current pharmacist is off duty. However, the Department of Corrections denied both of these requests.

The chief of health services has established committees to standardize procedures for all the prisons. The chief of health services stated that, thus far, the committees have developed a written list of drugs to be used system-wide and a health records manual that will standardize medical records used in all the prisons. The chief of health services also stated that he has established an audit team that will audit the prisons' medical operations periodically.

The Department of Corrections' inspector general has limited his reviews primarily to prisons' compliance with American Correctional Association standards. The inspector general told us that he has not reviewed prisons for compliance with state policies related to materials management because materials management policies are not included in those standards. He stated that in the past he has limited his review to the safeguarding of potentially dangerous property such as controlled drugs and syringes and to the sanitation aspects of the prison infirmaries. The inspector general further stated that he plans

to coordinate with the health services unit to ensure that he has expertise and staff to conduct more in-depth reviews in the future.

CONCLUSION

Folsom, the DVI, and the CIM have deficient practices for controlling property such as equipment, supplies, and drugs. As a result, the prisons are inexplicably missing tools and supplies and must spend additional funds to replace the missing property. In addition, unauthorized medical staff are prescribing and dispensing dangerous drugs. These deficiencies are caused, in part, by the failure of the Department of Corrections' central office to adequately monitor the prisons' controls over their equipment, supplies, and drugs.

RECOMMENDATIONS

Folsom's maintenance department should establish stock records for all supplies, and the DVI and the CIM should maintain accurate records on expendable supplies in their maintenance departments. Folsom and the CIM should conduct a complete physical inventory of all expendable supplies, and all three of the prisons should appropriately dispose of all obsolete and excess quantities of supplies identified during physical inventories. Furthermore, Folsom's maintenance department

should establish a centralized warehousing system through which the chief of plant operations should require all maintenance staff to requisition supplies.

The maintenance warehouse supervisors at all three of the prisons should keep all maintenance warehouses and storage areas locked whenever the warehouse supervisors are not present and should restrict access to the maintenance warehouses and all storage areas so that no one is in those areas unless accompanied by the maintenance warehouse staff. In addition, the warehouse supervisors should ensure that all items removed from the storage areas are accurately recorded in the stock records. Furthermore, Folsom's locksmith should change all of the locks in the maintenance department and the maintenance department should restrict access to the keys.

The property office at each of the three prisons should assign to an individual at each location throughout the prisons the responsibility for all sensitive property. In addition, the property offices should require each individual to use a check-out, check-in system that includes the item's identification number, the person to whom the property is issued, the item's location, and the dates it is checked in and checked out. Individuals who are assigned responsibility for property should notify, in writing, the property clerk at each prison when property items are removed. At locations

where it is not possible to assign responsibility to one person, employees should use a system by which each employee coming on duty signs a custody checklist for property at the location before relieving the employee going off duty. The property clerks should engrave certain items that may be otherwise difficult to identify.

The chief medical officer at each of the three prisons should ensure that only persons authorized by law prescribe and dispense dangerous drugs to inmates.

The Administrative Services Division, within the Department of Corrections' central office, should continue its efforts to obtain a materials management coordinator position as suggested by the Department of General Services. However, the lack of the materials management coordinator position should not prevent the division from fulfilling its responsibilities. The deputy director for administrative services should ensure that his division includes in the Business Administration Manual policies and procedures for controlling equipment and supplies. Further, the Administrative Services Division should ensure that prisons adhere to Department of Corrections policies by periodically observing the prisons' practices.

The central office's chief of health services should develop policies and procedures that require the prisons to correctly

prescribe and dispense all dangerous drugs. Furthermore, the chief of health services should ensure that the prisons are complying with laws that prohibit unauthorized individuals from dispensing and prescribing dangerous drugs by periodically observing the prisons' practices.

The inspector general should periodically review the prisons' controls over equipment, supplies, and dangerous drugs to ensure that prisons are complying with state laws and regulations and with Department of Corrections policies and procedures.

CHAPTER IV
PROCUREMENT PRACTICES
AT PRISONS ARE DEFICIENT

Procurement practices at Folsom, the DVI, and the CIM are deficient. The three prisons made purchases without obtaining more than one price quotation, made purchases at retail prices of items that were available at lower prices on state contracts, made purchases without approval by authorized prison staff, and made purchases without attempting to include state-certified small businesses. Further, the prisons procured services and repairs worth thousands of dollars without following appropriate procurement procedures. As a result, the prisons are unfairly limiting the number of vendors having an opportunity to do business with the prisons and are unnecessarily paying higher prices for supplies.

The Government Code Section 14792 stipulates that purchases of supplies or equipment totaling more than \$100 must be made by or under the supervision of the Department of General Services. The Department of General Services' office of procurement delegates to each prison's procurement office the authority, subject to specific conditions, to make purchases of \$850 or less directly from vendors. The conditions require each prison to solicit competitive bids and to establish a goal of making 25 percent of the dollar value of its delegated purchases from small businesses.

The prisons' procurement offices are responsible for purchasing materials, supplies, and equipment and for preparing all contracts for services. The procurement officer at each prison is responsible for certifying that purchases are made in accordance with the procedures prescribed by law and that all legal requirements are fully met.

PRISONS ARE NOT COMPLYING WITH
STATE PURCHASING REQUIREMENTS

Folsom, the DVI, and the CIM do not comply with all state purchasing requirements. For example, all three prisons made purchases without obtaining more than one price quotation, made purchases at retail prices of items that were available at lower prices on state contracts, and made purchases without approval by authorized prison staff. As a result, the prisons afforded some vendors an unfair share of the prisons' business and unnecessarily paid higher prices for supplies. In addition, the prisons allowed employees the opportunity to make inappropriate or unnecessary purchases.

In delegating to each of the three prisons the authority to purchase goods and services, the Department of General Services' office of procurement requires the prisons to seek a minimum of two price quotations for all purchases that exceed \$500 and recommends that the prisons seek alternate price quotations for purchases of "highly competitive" items totaling less than \$500. We considered "highly competitive" items to be those items that are available from several

sources at competitive prices. The Department of General Services also prohibits the prisons from using their delegated purchasing authority to purchase any items that are also available through state contracts between vendors and the Department of General Services. In addition, all three of the prisons' procedures permit only authorized individuals within the prisons to approve requests for purchases.

All three of the prisons we visited failed to obtain competitive price quotations although the additional price quotations were required by the prisons' purchasing authorities. Folsom's garage failed to obtain more than one price quotation for 71 (95 percent) of the 75 purchases that required competitive price quotations. Similarly, the DVI's garage failed to obtain more than one price quotation for all of the 38 garage purchase orders we reviewed, and the CIM's garage failed to obtain more than one price quotation for all of the 5 garage purchase orders we reviewed. All of these purchase orders at the three prisons included highly competitive items. Folsom's garage claimed that all of its automotive supply purchases, including those necessary for the routine maintenance of automobiles, were emergency purchases. Furthermore, Folsom's procurement officer permitted the garage to make these purchases on that basis. However, we found that automotive supply purchases were not always made for emergencies. The procurement officers at both the DVI and the CIM issued purchase orders to the garages and permitted the garages to use those purchase orders to purchase automotive supplies without requiring the garages to first obtain competitive price quotations and without reviewing the purchases for propriety.

In addition, the CIM failed to obtain more than one price quotation for 7 (54 percent) of the 13 other purchases in our sample that should have had more than one quotation. The CIM had no procurement officer for seven of the twelve months in fiscal year 1984-85. During this period, different individuals were performing the procurement officer's tasks. Furthermore, during the five months that the CIM did have a procurement officer, he was the only person staffing the procurement office, and the business manager told us that the procurement officer did not have time to carefully review all purchases. The CIM has since appointed a procurement officer and increased the number of staff in the procurement office.

By not obtaining competitive price quotations for purchases or estimates for services, the prisons have not afforded some vendors an opportunity to receive a share of each prison's purchases. For example, more than one-half of the approximately \$40,000 the CIM paid for automotive supplies in fiscal year 1984-85 was paid to one vendor. In addition, by not obtaining competitive price quotations, the prisons are unnecessarily paying higher prices for their purchases. Based on a price comparison of nine different items, we found that a vendor to which Folsom paid over \$13,000 charged Folsom prices that were approximately 18 percent higher than the average of prices charged by four other vendors we surveyed.

Both Folsom's garage and the DVI's garage purchased automotive supplies such as batteries and spark plugs from local vendors although

they should have obtained the supplies through state contracts and paid less money. In addition, the CIM allowed its plumbing supervisor to purchase pipes from a local vendor although he should have purchased the pipes through a state contract. Folsom's garage paid \$55.52 for a battery that was available for \$37.87 through a state contract. Additionally, the garage paid \$1.51 each for "J-7 Champion" spark plugs when the identical spark plugs were available for \$.64 each through a state contract. Since Folsom's garage is responsible for maintaining 80 vehicles, the potential savings are significant.

Also, each of the three prisons' procurement offices accepted purchase requests that had not been approved by authorized personnel. Folsom's procurement office accepted purchase requests for 21 (60 percent) of the 20 purchase orders and 15 purchase estimates in our sample although the requests had not been approved by authorized Folsom personnel. Similarly, the CIM's procurement office approved 17 (85 percent) of the 20 purchase requests in our sample although they, too, had not been approved by authorized CIM personnel. Although the DVI's procurement officer told us that all of the individuals who signed the five purchase requests in our sample were authorized to approve them, the individuals had not been formally authorized by the correctional administrator for business services to approve purchase requests.

Since our review at the DVI, the correctional administrator for business services issued a memorandum directing the procurement

officer to develop an operational procedure for regulating purchase orders requested by the garage and to develop a system for obtaining competitive bids. In addition, the DVI's correctional administrator for business services issued a memorandum to the chief of plant operations instructing the garage staff not to purchase items available on state contracts from other sources. The superintendent issued a memorandum that stated that division heads must sign all requests for purchases, repairs, and contracts. The superintendent also stated that division heads should complete signature cards that will be maintained in the procurement office.

During our review, Folsom's warden authorized certain staff positions, in addition to the division administrators, to approve purchase requests. The warden authorized divisions to add or delete staff positions that are authorized to sign purchase requests, but the division administrators must propose these changes in writing to the Business Services Division for review and approval.

PRISONS ARE NOT MAKING A FAIR SHARE OF THEIR PURCHASES FROM SMALL BUSINESSES

All three prisons we reviewed made purchases without attempting to include state-certified small businesses. In addition, two of the three prisons inaccurately reported that they made purchases from small businesses. By not routinely seeking small businesses, prisons do not make a fair share of purchases from small businesses as required by law even though small businesses could provide to the

prisons the same merchandise as other businesses. Furthermore, by not seeking small businesses, prisons have even paid higher prices unnecessarily. Finally, when prisons erroneously report that vendors are small businesses, the Department of General Services' statistics regarding how much of the State's purchases are being made from small businesses are inaccurate.

In response to the Small Business Procurement and Contract Act, Government Code Section 14835 et seq., which requires that agencies make a fair share of their total purchases from small businesses, the Department of General Services specified that each prison to which it delegated purchasing authority must establish a goal of making 25 percent of the dollar value of its delegated purchases from small businesses. The State Administrative Manual (SAM) Section 1204.1 lists the criteria a business must meet to qualify as a small business and further requires that a business apply to and be certified by the Department of General Services' office of small and minority business before a state purchaser can report it as a small business on the Small Business Monitoring Report.

None of the three prisons routinely encourages its staff to seek small businesses from which to purchase goods and services. To assist state agencies in making a fair share of their purchases from small businesses, the Department of General Services has developed a list of vendors, certified by the State as small businesses, that agencies can use. The list identifies the vendors' names, specialties,

telephone numbers, and addresses. However, none of the three prisons' procurement offices have issued the list to all departments. Both Folsom and the DVI reported on the Small Business Monitoring Report and on their purchase orders that they made purchases from small businesses although the businesses that they reported had not been certified by the State. The CIM, on the other hand, made 4 of the 17 purchases in our sample with state-certified small businesses but did not identify them as small businesses on the purchase orders. As a result of using the information reported on these documents, the Department of General Services compiles inaccurate statistics regarding how much of the State's purchases are being made from small businesses. For example, for the fourth quarter of fiscal year 1984-85, Folsom reported in the Small Business Monitoring Report that it had made 24.3 percent of the total dollar value of its purchases from small businesses. However, Folsom had made only 7.1 percent of the total dollar value of its purchases from certified small businesses.

In addition, by not routinely seeking small businesses, prisons do not make a fair share of purchases from small businesses and do not provide small businesses the opportunity to benefit from the prisons' purchasing, even though small businesses could provide to the prisons the same merchandise that other businesses do. Furthermore, by not seeking small businesses, prisons are paying higher prices unnecessarily. For example, two of the four vendors who had lower prices than those of the Folsom vendor cited on page 60 were state-certified small businesses. In addition, one of the small

businesses we contacted could have provided the items on one of the CIM's purchase orders--rubber stair treads and risers--for \$689.28 rather than the \$817.84 that the CIM paid for them.

Since our review, the DVI implemented a program to identify and register the local vendors that are small businesses or minority-run businesses. The DVI's superintendent stated that as soon as the process is completed, the DVI's procurement office will produce for prison staff who request purchases a list of certified small businesses in the prison's local area.

PRISONS ARE NOT FOLLOWING APPROPRIATE
PROCUREMENT PROCEDURES WHEN
ORDERING SERVICES AND REPAIRS

Folsom, the DVI, and the CIM do not comply with appropriate procedures in procuring certain services and repairs. As a result, the prisons are allowing employees the opportunity to make inappropriate or unnecessary purchases, are exposing the State to potential payment of damages for legal liabilities, and are in danger of losing the Department of General Services' delegation of purchasing authority.

State policies governing purchases and contracts normally specify that only authorized agency officials can request procurements and that state agencies must obtain at least three bids, estimates, or proposals for procurements exceeding \$500 or provide a written explanation for not doing so. In addition, any vendors providing

services of a hazardous nature must submit a certification of insurance. State policies normally allow an exemption from the foregoing requirements in emergency situations in which the service is needed immediately but require that an official of the requesting agency provide a signed statement that an emergency condition exists. In addition, SAM Section 1212.2 requires that the final total cost of services and repairs be established before the services and repairs begin. Finally, SAM Section 2121 states that institutions shall not contract with private vendors for services that parallel services offered by the Department of General Services' office machine repair shop.

The procurement officers at all three of the prisons we reviewed approved orders for services and repairs without following appropriate procurement procedures. Folsom, the DVI, and the CIM use service and repair orders or service and expense orders to purchase services and repairs costing less than \$3,000. However, according to Folsom's procurement officer, Folsom uses service and repair orders to purchase what it considers to be emergency services and repairs costing less than \$3,000. The three prisons issued purchase documents for these kinds of purchases that totaled more than \$100,000 in fiscal year 1984-85.

Both Folsom and the CIM failed to require that all requests for services and repairs be approved by authorized division or department heads and failed to obtain competitive price quotations for all services and repairs.

Although the DVI appeared to require necessary approvals and price quotations for its service and expense orders, for 2 of the 21 orders we reviewed, vendors charged significantly more than the estimated cost of repairs that were approved by the procurement officer. This is because the form that the DVI was using to order services and repairs did not clearly require the vendor to obtain the procurement officer's written authorization if the cost of the work exceeded by more than a specified percentage the originally approved cost. For example, the DVI agreed to pay one vendor \$490 to install fuel lines and fittings on generators, but later the vendor submitted an invoice for almost \$2,300. Although the DVI refused to pay the additional amount, this amount represents a potential loss to the vendor or a potential liability to the State if the vendor takes legal action. However, the DVI's procurement officer has since modified the form to correct this deficiency.

Two of the orders at Folsom and one of the orders at the CIM were written for services of a hazardous nature: removing and replacing a leaking steam pipe that was insulated with asbestos, and providing pest control services. Neither Folsom nor the CIM required the vendors that provided these services to submit certifications of public liability insurance as required by the SAM. In addition, the DVI's procurement officer issued 18 service and expense orders totaling approximately \$2,300 to vendors for the repair or service of office equipment instead of using the repair service offered by the Department of General Services' office machine repair shop in Stockton.

As a result of the prisons' deficiencies in ordering services and repairs, they are allowing employees the opportunity to make inappropriate or unnecessary purchases. The prisons are also exposing the State to potential payment of damages for legal liabilities and are in danger of losing the Department of General Services' delegation of purchasing authority.

THE CENTRAL OFFICE'S ADMINISTRATIVE
SERVICES DIVISION AND ITS EVALUATION AND
COMPLIANCE DIVISION ARE NOT PROVIDING
ADEQUATE DIRECTION AND OVERSIGHT

Each prison is responsible for adhering to state law, state policies, and sound business principles in its procurement practices. The Department of Corrections' central office is responsible for ensuring that the prisons' procurement practices are appropriate and that they comply with state requirements. The Department of Corrections' Manual of Procedures for Central Office, Chapter 200, Section 208, states that the Administrative Services Division is responsible for evaluating, coordinating, and directing the business management activities at the various prisons. Within this division, the business services unit, which reports to the contract and business services section, is responsible for providing guidance to ensure that the prisons' procurement practices are sound. In addition, the Department of Corrections' inspector general, in the Evaluation and Compliance Division, is responsible for monitoring each prison to ensure that the prisons comply with state requirements for the purchasing of goods and services. However, neither the Administrative

Services Division nor the office of the inspector general reviews the prisons' delegated purchases or procurement of services and repairs to determine whether the institutions are complying with state purchasing requirements.

One reason the prisons have failed to accurately report the amount of purchases they have made from certified small businesses is that the contract and business services section has instructed the prisons that businesses do not have to be state-certified to be reported as small businesses. Although both the chief of the Department of General Services' office of small and minority business and the Department of General Services' office of procurements' purchasing manager confirmed that this is their policy, neither of the two offices has informed the Department of Corrections or the prisons in writing that this is their policy.

In 1982, the Department of General Services' office of procurement's statewide logistics and materials management staff prepared "A Plan for Improved Materials Management," which was the result of a two-year study of the Department of Corrections' materials management. This study concluded that the conditions of the Department of General Services' delegations of authority were not being followed at individual prisons because of the lack of control and guidance of the prisons' purchasing activities by the Department of Corrections' central office. The plan recommended that the Department of Corrections hire a materials management coordinator whose duties

would include making periodic inspections of the prisons to ensure that they were complying with departmental policies and guidelines. The Administrative Services Division has tried to obtain a materials management coordinator position twice. One request was denied within the Department of Corrections, and the second request was denied by the Department of Finance. The chief of the Administrative Services Division's business services unit stated that the materials management coordinator would have been responsible for providing guidance to the prisons in procurement and for reviewing the prisons' procurement practices. However, the chief of the business services unit also said he has not assigned these responsibilities to any current personnel because the people in his office are already working extensive overtime due to the rapid rise in the number of prisons, inmates, and parolees. In fiscal year 1984-85, the 31 staff in the business services unit worked over 6,000 hours of overtime.

At the CIM's request, the office of the inspector general coordinated a peer review of the CIM's procurement practices in June 1985, but the inspector general's office does not periodically conduct this kind of review at all prisons. However, the inspector general stated that his office was working with San Quentin's procurement officer to develop a checklist for compliance with state procurement policy and to develop a system for coordinating the procurement of services and repairs between the procurement offices and the departments requesting them.

CONCLUSION

Procurement practices at Folsom, the DVI, and the CIM are deficient. The three prisons made purchases without obtaining more than one price quotation, made purchases at retail prices of items that were available at lower prices on state contracts, made purchases without approval by authorized prison staff, and made purchases without attempting to include state-certified small businesses when they identified vendors from which to purchase goods and services. Further, the prisons procured services and repairs worth thousands of dollars without following appropriate procurement procedures. As a result, the prisons are affording some vendors an unfair share of the prisons' business and are unnecessarily paying higher prices for supplies and repairs. Furthermore, prisons are allowing employees the opportunity to make inappropriate or unnecessary purchases and are exposing the State to potential payment of damages for legal liabilities. Neither the Department of Corrections' Administrative Services Division nor its office of the inspector general periodically reviews prison procurements to ensure that the prisons comply with state procurement requirements.

RECOMMENDATIONS

The procurement officers at Folsom, the DVI, and the CIM should require departments that request purchases to obtain the necessary number of price quotations before approving the purchases. In addition, the procurement officers should carefully review all purchase requests that departments claim are for emergency purposes to determine whether the purchases qualify as emergency purchases according to the guidelines in the State Administrative Manual. Also, Folsom's equipment maintenance supervisor, the DVI's chief of plant operations, and the CIM's chief of plant operations should require their employees to buy through state contracts items that are available through these contracts. Further, all three of the procurement offices should maintain a list of the individuals, and their signatures, who are authorized by the appropriate prison administrator to approve purchase requests. The procurement office should use this list to determine whether the individuals who are signing purchase requests are authorized to do so. The procurement officers should not approve any requests that do not comply with state procurement requirements or that are not signed by authorized individuals.

Procurement officers at Folsom, the DVI, and the CIM should issue to all prison departments initiating purchases the Department of General Services' list of state-certified small

businesses and should provide training and guidance to the departments, encouraging them to solicit price quotations from small businesses. Folsom's and the CIM's procurement offices should encourage local vendors that they believe to be small businesses to apply for certification by the State as small businesses. The DVI should continue its program of identifying and registering small businesses.

The procurement officers at Folsom and the CIM should develop more extensive written policies and procedures to govern the use of their service and repair orders and service and expense orders. The policies should clarify when, and for what type of procurements, staff should use these orders rather than purchase orders or formal contracts, such as obtaining a one-time service that does not require the expenditure of more than \$3,000, when it is not practical to advertise in the State Contracts Register. The procedures should require competitive price estimates and specific justifications if competitive estimates are not sought for services and repairs totaling more than \$500. If the justification is based on an emergency condition, the guidelines should require a responsible employee who knows about the emergency situation to certify in writing that the emergency did not allow time for obtaining competitive estimates. In addition, the procedures should require that vendors obtain prior approval from the procurement officer if the final cost of the service

or repair will exceed the originally approved cost by more than a specified percentage. Also, for any services of a hazardous nature, the vendor must be required to provide evidence of public liability insurance. The procurement officers at all three prisons should carefully review the use of service and repair orders and service and expense orders to ensure that departments at their prisons are complying with these policies and procedures and with other state procurement requirements. For example, the DVI's procurement officer should not permit departments to use service and expense orders to purchase the repair or service of office equipment instead of using the Department of General Services' office machine repair shop.

The Department of Corrections should continue to attempt to obtain a materials management coordinator position as suggested by the Department of General Services. However, the lack of the materials management coordinator position should not prevent the Administrative Services Division and the Evaluation and Compliance Division from fulfilling their responsibilities:

- The deputy director for administrative services should ensure that his division coordinates and directs the prisons' purchasing practices and that his division periodically visits the prisons to review and evaluate

the prisons' procurement practices. The chief of the contract and business services section should direct the chief of the business services unit to assign to someone in his unit the responsibility for providing guidance to prisons in procurement. This person should review and approve any special procedures the prisons develop for regulating and obtaining competitive price quotations for frequent purchases of items such as automotive supplies. This person should also develop a procedure for the prisons to follow in procuring services and repairs.

- The inspector general in the Evaluation and Compliance Division should periodically visit the prisons to ensure that the prisons comply with state requirements for the purchasing of goods and services.

Finally, the Department of Corrections should ensure that each prison adheres to the Department of General Services' policy that 25 percent of the dollar value of its purchases be made from state-certified small businesses. Unless the director of the Department of General Services notifies the Department of Corrections in writing that it has changed its policy, the contract and business services section should instruct prisons to report only businesses that have been state-certified as being small businesses.

CHAPTER V

PRISONS ARE NOT EFFECTIVELY USING OVERTIME AND ARE ALLOWING EMPLOYEES TO WORK OUT OF THEIR JOB CLASSIFICATIONS

The Department of Corrections does not always plan effectively for all of its staffing requirements. For example, Folsom and the CIM require their custody personnel to work extensive overtime, which costs more than hiring regular full-time employees. Folsom and the CIM could hire a total of 67 additional full-time personnel for relief positions in lieu of paying overtime and still save approximately \$146,000 a year. In addition, because some custody personnel have been working many 16-hour shifts each month, they may be fatigued, which can affect the safety of staff and inmates and the security of the prisons.

Further, some Folsom, DVI, and CIM employees are working out of their job classifications in violation of state law. As a result, these employees are not always trained for the duties they are performing, and the State is incurring unnecessary costs when employees are performing the duties appropriate to job classifications that pay a lower salary. For example, if four of the employees in our sample worked in the correct job classifications, the State could have avoided salary costs of \$33,132 per year.

THE PRISONS' USE OF OVERTIME
IS NOT COST-EFFECTIVE

Folsom and the CIM have required their custody personnel to work extensive overtime. During fiscal year 1984-85, Folsom custody personnel worked an average of 16,000 overtime hours per month; CIM custody personnel worked an average of 10,000 overtime hours per month. In comparison, DVI custody personnel worked an average of only 5,000 overtime hours per month. Folsom spent \$5 million during fiscal year 1984-85 on overtime worked by all prison staff, and the CIM spent \$2.9 million on all overtime.

Because paying overtime is more expensive than paying for full-time employees' salaries and benefits and because the prisons historically have used a predictable minimum number of employees to work eight-hour overtime shifts each day, we determined that Folsom and the CIM could hire 67 full-time custody personnel and save the State \$146,000 in unnecessary overtime costs. This savings does not include the one-time costs of training these new personnel. (The Appendix to this report describes the methodology we used in our analysis.)

Extensive overtime also causes fatigue and can jeopardize the safety of inmates and staff and the security of the prisons. For example, some Folsom custody personnel worked 10 or more double shifts (16 continuous hours of work) per month in the two months for which we examined personnel attendance records. According to safety experts, prison custody personnel who work a large number of double shifts may

be working while fatigued, which can diminish their performance and ultimately affect the safety of inmates and staff and the security of the prison. Folsom's warden also acknowledged that staff become fatigued when they are required to work extensive overtime.

Folsom and the CIM use extensive overtime because they do not have sufficient staff to provide relief for personnel on military and sick leave, including extended sick leave. Also, these prisons do not rapidly fill vacant positions. In addition, at the time of our review, Folsom did not have sufficient authorized positions to staff a security housing unit.

Folsom has started to hire and train permanent-intermittent personnel, employees who work periodically on an hourly basis to fill the assignments of personnel on leave. Folsom hired six permanent-intermittent personnel in November 1985 and expected to hire an additional 40 permanent-intermittent personnel during December 1985. At the time of our review, the CIM was already using permanent-intermittent personnel.

THE CENTRAL OFFICE NEEDS TO BETTER ANALYZE PRISONS' USE OF OVERTIME

Although the prisons are specifically responsible for assigning daily overtime to custody personnel to meet staffing needs, the Department of Corrections' central office is responsible for staffing its prisons in the most cost-effective manner. However, in

its budget for fiscal year 1985-86, the Department of Corrections eliminated all of the 185 sick leave relief positions that were in its fiscal year 1984-85 budget for the prisons and replaced the positions with funds for overtime. The Department of Corrections' Administrative Services Division did not analyze the use or the cost-effectiveness of overtime by shift in each of its prisons before eliminating these positions.

According to a State Personnel Board policy consultation analyst, the State Personnel Board's Laws and Rules do not prevent prisons from filling the positions of persons on extended sick leave with new permanent staff, as long as the prison has a position available for the employee when he or she returns to work. The Department of Corrections' assistant deputy director for personnel concurs that prisons should fill the positions of personnel who are on sick leave if the employees are not expected to return to work within six months and if the prisons' analyses of employee turnover justifies hiring new personnel to fill the positions of the sick personnel. However, the human resources management branch of the Administrative Services Division has neither provided the prisons guidelines for nor monitored the operations of the prisons' personnel offices to ensure that they staff the positions of personnel who are sick over extended periods of time. It is especially important that the central office provide guidelines and monitor the prisons because none of the prisons we visited was authorized a professional personnel analyst position at the time of our review. Personnel supervisors at Folsom and the CIM

stated that they fill the position of an employee who is sick over an extended period of time only if the employee's physician states that the employee will not be able to return to his or her position at the prison. Folsom and the CIM do not fill the positions of sick employees who may later return to work because, the personnel supervisors stated, the prisons may have more personnel than they are budgeted for if the employee returns; therefore, the prisons often cover these positions with overtime. In contrast, the DVI does not use extensive overtime to cover for employees on extended sick leave; this prison does permanently fill the positions of persons on extended sick leave.

PRISONS ARE ASSIGNING EMPLOYEES
WORK OUT OF THEIR JOB CLASSIFICATIONS

Some Folsom, DVI, and CIM employees are working out of their job classifications in violation of state law. As a result, these employees are not always trained for the duties they are performing. In addition, the State is incurring unnecessary costs when employees are performing the duties appropriate to job classifications that pay a lower salary.

There are over 3,000 job classifications in the state civil service system. State law requires employees to perform duties appropriate to their job classifications. The Government Code Section 18800 empowers the State Personnel Board to establish and adjust classes of positions (job classifications) in the state civil service. Each class must include a descriptive title that outlines the

scope of duties and responsibilities for each job classification. The State Personnel Board assigns positions to a job classification, and under Government Code Section 19818.8, state agencies may not assign anyone to work out-of-class.

We reviewed a sample of 52 employees in 34 of the 203 job classifications at the three prisons. Seventeen (33 percent) of the 52 employees in our sample were working out of their civil service job classifications. At Folsom, 6 (29 percent) of the 21 employees in our sample were performing duties that were out of their job classifications. For example, two correctional officers were performing general office work, such as recordkeeping or payroll duties. One officer was performing general office work more than 70 percent of the time; the second, 75 percent of the time. The class specifications for correctional officers permit them to perform noncustody duties only as a minor part of their custody assignment. According to a personnel management analyst for the Department of Personnel Administration, the work these two officers were performing is appropriate to the job classification of office assistant II.

At the DVI, 6 (40 percent) of the 15 employees in our sample were also performing duties that were not appropriate to their job classification. One correctional officer was performing general office work at least 75 percent of the time. This work included maintaining training records and files for all DVI employees. According to a

personnel management analyst for the Department of Personnel Administration, this officer was performing work appropriate to the job classification of office technician.

We reviewed the duties of 16 employees at the CIM. Five (31 percent) of the 16 employees were working out of their job classifications. For example, a medical technical assistant was performing the timekeeping for a staff of 118 prison employees. He also performed scheduling tasks for other medical technical assistants and nurses. The class specifications for medical technical assistants require that they perform subprofessional medical tasks involved in the care of inmates. According to a personnel management analyst for the Department of Personnel Administration, the work this medical technical assistant was performing is appropriate to the job classification of office assistant II.

Employees who work out-of-class do not always have the appropriate experience and training for the duties they perform. For example, a plumber II at the CIM was working out-of-class as a water and sewage plant supervisor. The class specifications for a water and sewage plant supervisor require the candidate to obtain certification as either a sewage treatment or water treatment plant operator from the appropriate state agency. The plumber II had neither a certificate nor the other specialized knowledge that the class specifications require of a water and sewage plant operator.

The State also incurs unnecessary salary expenses when employees work out-of-class. At each of the three prisons we reviewed, the State could have saved salary costs if employees worked in the correct job classification. For example, a correctional officer at the DVI who was performing the duties of an office technician earned \$2,361 per month at the time of our review. An office technician at a pay step comparable to that of the correctional officer would earn \$1,712 per month. Thus, the State is unnecessarily paying \$649 per month for the clerical work performed by the correctional officer. Also, the medical technical assistant at the CIM who was performing the duties of an office assistant II earned \$2,227 per month. An office assistant II at a pay step comparable to that of the medical technician assistant would earn \$1,611 per month. Thus, the State is unnecessarily paying \$616 per month for the clerical work performed by the medical technical assistant. If 4 of the 52 employees that we sampled worked in the correct job classifications, the State could have avoided salary costs of \$2,761 per month, or \$33,132 per year.

Employees at the prisons work out of their job classifications for several reasons. According to the correctional administrators for business services at the three prisons we reviewed, there is no specific administrator responsible for ensuring that employees are working within their job classifications. Rather, supervisors are responsible for ensuring that their subordinates are performing duties consistent with their job classifications. However, according to these

administrators, supervisors do not receive any special training to help them fulfill their responsibility for assigning subordinates appropriate work.

Further, the correctional administrators for business services at Folsom and the CIM do not review their prison's organizational charts. Once a year, the warden or superintendent must submit to the Department of Corrections' central office an organizational chart for his prison. According to a Department of Corrections personnel analyst, the Business Services divisions at the prisons should review the organizational charts to ensure that supervisors are actually supervising employees. Only at the DVI does the correctional administrator annually review the organizational chart to ensure that supervisors manage other employees.

One reason that the Business Services divisions do not monitor out-of-class work is that the prisons have no professional personnel staff assigned to them. The Department of Corrections is requesting the addition of an associate personnel analyst to each of the prisons in the Governor's 1986-87 budget. According to the Department of Corrections' budget change proposal requesting these new positions, the analyst will participate in personnel management reviews. These reviews will include a complete review of organizational charts and employee duty statements to ensure that employees are working within their job classifications. The analyst will also be responsible for developing plans to correct any out-of-class assignments. Also, in a

review of personnel offices at prisons completed in October 1985, the State Personnel Board recommended that each prison have a professional personnel staff person.

At the DVI and the CIM, some employees are working out of their job classifications because the personnel offices are slow to fill existing vacant positions. For example, at the DVI, a plumber supervisor was working out-of-class because he was not supervising other plumbers in accordance with the class specifications for plumber supervisors. In fact, the supervisor was the only plumber at the DVI. According to the DVI's personnel assistant II, the DVI has had a vacant plumber I position since September 16, 1985, but only administered the test for plumber I in February 1986.

THE CENTRAL OFFICE NEEDS TO IMPROVE
ITS ADMINISTRATION OF THE STATE
PERSONNEL CLASSIFICATION PLAN

In addition to the management problems at the prisons that allow employees to work out of their job classifications, the Department of Corrections' central office has not adequately administered the State Personnel Classification Plan. Under Section 19818.6 of the Government Code, the Department of Personnel Administration is responsible for administering the State Personnel Classification Plan. This plan includes ensuring that employees work within their job classifications. According to a personnel management analyst for the Department of Personnel Administration, the department

delegates that responsibility to other state agencies. Further, Section 128 of the Department of Corrections' Administrative Manual specifies that the Department of Corrections' personnel section is responsible for interpreting and applying State Personnel Board rules. This responsibility includes ensuring that employees in the department work in accordance with the specifications of their job classifications.

In accordance with the above requirements, Department of Corrections personnel analysts should audit the institutions periodically to ensure that employees are not working out-of-class. According to the chief of the personnel, health and safety section of the department's Administrative Services Division, the personnel section has not done regular classification audits at the prisons. He stated that the personnel section has not done these audits because of other priorities. The personnel section, he said, gives highest priority to resolving complaints involving personnel transactions, such as disputes over an employee's pay. His section also places emphasis on selecting employees, especially on administering the civil service tests that the State Personnel Board delegates to the Department of Corrections to administer. However, he did say that the department plans to monitor personnel operations at the prisons by conducting classification audits. His section has drafted a plan to regularly audit organizational charts and visit institutions to ensure that employees do not work out-of-class. He stated that another reason that

the section has not conducted regular classification field audits in the past is that until September 1985, the personnel section had a high vacancy and staff turnover rate.

Another reason that employees may work out-of-class is because the Department of Corrections lacks appropriate job classifications for some positions. For example, a correctional sergeant at the CIM was working as a distributed data processing systems coordinator. The class specifications for correctional sergeant do not include data processing work. However, according to a Department of Personnel Administration personnel management analyst, there is no established classification for the duties he performs.

CONCLUSION

The Department of Corrections' use of overtime is not always cost-effective. Folsom and the CIM require their custody personnel to work extensive overtime, much of which is predictable and could be avoided if the prisons hired full-time relief staff. These prisons could hire 67 full-time personnel for whom there is a demonstrated need and still save \$146,000. The Department of Corrections' central office did not analyze the use or cost-effectiveness of overtime in its prisons before eliminating sick leave relief positions for its fiscal year 1985-86 budget. Also, the department has not provided guidelines to or monitored the operations of its

institutional personnel offices to ensure that they appropriately staff the positions of personnel who are sick over extended periods of time.

In addition, some employees at Folsom, the DVI, and the CIM are working out of their job classifications in violation of state law. As a result, these employees are not always trained for the duties they are performing. Further, the State is incurring unnecessary costs when employees are performing the duties appropriate to job classifications that pay a lower salary. The prisons we reviewed could reduce the number of employees who work out-of-class if supervisors were better trained in their responsibilities to assign appropriate duties and responsibilities to subordinates, and if each prison hired a personnel professional to regularly review the prison's organizational chart and to periodically monitor the assignments that supervisors make.

The Department of Corrections' central office could help reduce the number of employees who work out-of-class if the Department of Corrections' personnel section would regularly audit and review personnel operations at the prisons.

RECOMMENDATIONS

In developing its annual budget, the Department of Corrections should better plan its needs for overtime, ensuring that permanent-intermittent or additional full-time staff replace existing staff working predictable overtime. The department should also monitor the operations of its prisons' personnel offices and provide guidelines for staffing the positions of personnel who are sick over extended periods of time.

In addition, Folsom, the DVI, and the CIM should initiate measures, such as providing training, to ensure that supervisors are assigning their employees appropriate work. Also, each prison should hire a personnel professional to review organizational charts and periodically monitor employee assignments to ensure that supervisors are not assigning employees duties that are not included in the employee's job classification. The personnel offices of the prisons should also take action to more promptly fill vacant positions.

The Department of Corrections' central office should periodically conduct audits of positions to ensure that employees are performing duties consistent with State Personnel Board specified job classifications. The central office should also perform studies to establish classifications for positions that do not have an appropriate classification.

CHAPTER VI

SOME PRISONS ARE NOT KEEPING ENOUGH INMATES IN WORK OR TRAINING ASSIGNMENTS

Folsom and the DVI are not providing a sufficient number of inmates with work, training, or education assignments as intended by state law and Department of Corrections policy. As of November 7, 1985, 482 (23 percent) of Folsom's 2,126 general population inmates who were available to work were not assigned, and as of February 3, 1986, 465 (16 percent) of the DVI's 2,886 inmates who were available to work were not assigned. As a result, the inmates who are not assigned are earning time off their sentences without developing good work habits, occupying their time productively, or helping defray costs to operate the prison. Additionally, inmates who are eligible under the law to earn work time credits at the accelerated rate that the law offers are unable to reduce their prison terms as quickly as the law allows. Consequently, the State must pay the extra cost to incarcerate these inmates longer than legally necessary.

PRISONS ARE NOT ASSIGNING SUFFICIENT NUMBERS OF INMATES TO WORK, TRAINING, OR EDUCATION PROGRAMS

According to Chapter 1, Statutes of 1982, it is the intent of the Legislature that all able-bodied inmates be assigned to work. The law also allows inmates to earn work time credits to reduce their sentences. Inmates can earn work time credits at two different rates. Chapter 1234, Statutes of 1982, provides that inmates who committed

crimes on or after January 1, 1983, as well as inmates who were convicted before January 1, 1983, but who signed a waiver, can earn one day off their prison terms for each day they spend in a work, training, or educational assignment. Inmates who were convicted before January 1, 1983, and who do not sign a waiver but indicate a willingness to work can still obtain a work or training assignment but earn only one day off their term for every two days that they are assigned. Also, inmates who indicate a willingness to obtain a work or training assignment can earn one day off their term for every two days that they are waiting for an assignment. Inmates who refuse an assignment or who commit certain acts of misconduct do not receive work time credit for an assignment.

Folsom and the DVI are not meeting the Department of Corrections' commitment that prisons assign all general population inmates. On November 7, 1985, Folsom had 2,126 general population inmates available for assignment. However, only 1,644 (77 percent) of the 2,126 were assigned; 482 (23 percent) of its general population inmates were not assigned. On this same date, Folsom had 316 vacant assignments available for general population inmates, 166 (482 - 316) less than it needed to assign all available inmates. As of November 7, 1985, 440 of the 482 inmates who were not assigned were eligible to earn work time credit at the faster rate allowed by law.

On February 3, 1986, the DVI had 2,886 inmates available to work. Only 2,421 (83.9 percent) of these inmates were assigned; 465

(16.1 percent) of the inmates were not assigned. On this same date, the DVI had 193 vacant assignments, 272 (465 - 193) less than necessary to assign all available inmates. We were unable to determine the number of inmates who were not assigned and who were eligible to earn work time credit at the faster rate.

Inmates assigned to maximum custody levels generally do not work or participate in training. Folsom had 747 maximum custody inmates in its security housing units (SHUs) as of November 7, 1985; 631 of these inmates were available to work, and 24 were assigned. However, Folsom has only 36 jobs for its SHU inmates. Of the 607 inmates who were unassigned, 258 (42 percent) were eligible to earn work time credit at the higher rate. As of February 3, 1986, the DVI had 135 maximum custody inmates who were waiting for transfer to a higher security-level prison. Not one of these inmates was eligible to work. The Department of Corrections gives inmates with maximum custody-level designations (such as those inmates in the SHUs) the lowest priority for work or training assignments because, for security reasons, these inmates must be given only limited assignments within the perimeters of SHU facilities and must be under direct and constant supervision. However, education assignments qualify for work time credit, and Folsom is increasing its educational opportunities for SHU inmates by developing study materials that inmates can use in their cells and by hiring instructors for its SHUs.

In contrast to the DVI and Folsom, the CIM-Minimum facility and the CIM-East facility each have more job assignments available than inmates who can fill them. At CIM-Minimum, there were 118 vacant assignments on February 4, 1986, and all inmates available to work were assigned. At CIM-East, there were 79 vacant assignments, and all but five inmates were assigned as of February 5, 1986.

Because Folsom does not provide sufficient work, training, or education assignments to fully implement the law, inmates do not have the opportunity to develop good work habits, as the law intended, and they cannot obtain the skills necessary to obtain employment upon their release. Further, the prison is less able to become self-sufficient by developing and using inmate labor and skills, a goal that is also established by state law.

Inmates who cannot reduce their prison terms because they lack assignments must be incarcerated longer than necessary, resulting in a substantial extra cost to the State. Inmates who do not have an assignment earn only one-third off their terms, whereas inmates eligible to earn work time credit at the higher rate, and who have assignments, can reduce their terms by one-half; therefore, eligible inmates with assignments reduce their prison terms at a rate that is one-sixth faster than the rate of those who do not have assignments. The Department of Corrections would also benefit from the reduced terms. By getting more inmates out of the penal system faster, the Department of Corrections would reduce its overall requirements for

prison facilities and staff. In addition, since incarcerating inmates longer than necessary contributes to the crowded conditions in the prison system, a fully implemented work incentive program should lessen the Department of Corrections' overcrowding problems.

The prisons are not keeping more inmates assigned for a number of reasons. Both Folsom and the DVI were using procedures at the time of our review that created delays in assigning inmates. For security reasons, Folsom stopped using inmate clerks to process inmate assignment records. The loss of the inmate clerks slowed the assignment of inmates to work and training programs. This delay in processing records contributed to the relatively high number of vacant assignments at Folsom. The Department of Corrections plans to automate its assignment records by June 1986.

At the DVI, the assignment lieutenant's practice was to review inmate case files to determine whether the inmates' custody level was appropriate for available assignments outside the main buildings. However, this practice duplicated the case file reviews of the prison's counselors, causing delays in filling some of the 193 vacant assignments and leaving inmates on the waiting lists longer than necessary. During our review, the superintendent directed the assignment lieutenant to discontinue this duplicate case file review.

Further, at the DVI, 73 (37.8 percent) of the 193 assignment vacancies were in vocational education. Although there were inmates on

the waiting lists for vocational education, the assignment lieutenant could not assign inmates on the waiting lists directly to vocational education classes because the prison assigns vocational education inmates to a prevocational orientation class for 180 hours before they are assigned to actual vocational education training. The prevocational class prepares students for vocational training and provides an opportunity for them to improve their math and other skills. The prevocational class has a limited enrollment of 24 inmates and therefore creates a bottleneck for vocational education assignments. Although the DVI has waiting lists for vocational training and academic education assignments, including classes in English as a second language, the DVI's prevocational orientation class and its academic education classes do not have sufficient space for all inmates who are waiting.

In addition, Folsom and the DVI restrict some inmates from filling specified assignments because of their custody levels. Inmates designated as "close" custody require more supervision and security than inmates that are designated only "medium" or "minimum" custody. At Folsom, close custody inmates could fill only 145 of the 328 vacant assignments; however, there were more than 145 close custody inmates on the waiting lists. In contrast, certain assignments at Folsom can be filled by only medium custody inmates. For example, in vocational education classes, there were assignments open, but only medium custody inmates could take those assignments. Since October 1985, Folsom has begun to reassess the custody levels of some close custody inmates to determine whether they can fill medium custody assignments.

At the DVI, 76 (39 percent) of 193 vacant assignments were available only to minimum or medium "B" custody inmates, but the DVI had only 67 minimum and medium "B" custody inmates on the waiting lists to fill these jobs at the time of our review. The DVI also has additional assignments available to minimum or medium "B" custody inmates who can work outside the fenced facility. The superintendent stated that he would reinstate these assignments when the DVI receives inmates who are appropriate to fill them. At the time of our review, according to the superintendent, the DVI's population included a significant number of inmates with higher security levels from Folsom and San Quentin State Prison because of overcrowding at those prisons.

THE CENTRAL OFFICE COULD IMPROVE
ITS AUDITING AND ANALYSIS OF
PRISONS' WORK AND TRAINING PROGRAMS

Each prison is responsible for creating work, education, or training positions for inmates, for requesting appropriate staff to supervise the inmates, and for assigning inmates to the work, education, or training positions. The program development unit within the Department of Corrections' Institutions Division is responsible for auditing prison work incentive programs, evaluating monthly inmate assignment reports, assisting in planning for inmate assignments, and formulating recommendations for change in the work incentive program.

The Institutions Division's audits include a review of the number of inmate assignments that are filled and vacant. However, the

audits do not review all prison assignment procedures and therefore do not identify some of the deficient assignment procedures that we identified. For example, the Institutions Division's audit at the DVI did not address the duplicate case file reviews that we identified in the assignment office. Additionally, the program development unit monitors the prisons' inmate work and training assignments from monthly reports that prisons submit.

In addition to auditing and monitoring the work incentive program in prisons, the Department of Corrections has explored methods to increase inmate employment through a 1984 Governor's Task Force. Pursuant to Chapter 595, Statutes of 1984 (Assembly Bill 3577), the program development unit participated with other state agencies in a task force that submitted a report to the Legislature in January 1985 on ways to increase inmate employment. The report identifies projects and operations that inmates could perform.

The program development unit has estimated a projected savings from providing assignments to inmates on waiting lists. However, neither the unit nor the Evaluation and Compliance Division has analyzed the effectiveness of the work incentive program since its inception to evaluate and improve the program's cost benefits, even though they are responsible for this kind of analysis.

It may save the State money, for example, if prisons hire more supervisory staff to permit more inmates to attend work or training

assignments. Since the law allows certain inmates to earn additional time off their sentences by working or participating in education training, it should be more cost-effective over time to expand the number of assignments for inmates and thereby allow more of the eligible inmates to earn work time credits at the faster rate. For example, Folsom's budget for fiscal year 1985-86 provides an average annual operating cost per inmate of \$13,400. The difference between sentence reductions of one-half and one-third is one-sixth. One-sixth of Folsom's annual \$13,400 operating cost per inmate is \$2,233. Therefore, the 698 inmates at Folsom who are not assigned and who are willing to work can ultimately cost the State approximately \$1.6 million in unnecessary incarceration costs. The projected savings of \$2,233 per inmate could provide sufficient funds to pay for additional supervisors. For example, instructors in the prisons earn approximately \$39,400 in salary and benefits annually and have class enrollment quotas of 24 students. Twenty-four additional assigned inmates represent a potential savings equivalent to \$53,592 ($\$2,233 \times 24$) per year, or more than the cost of the instructor. (The savings does not include all initial costs, such as those for equipment and books.) Folsom and the DVI have continually received inmate replacements, so their budgets would not necessarily decline if any inmates ended their prison terms one-sixth earlier. However, the Department of Corrections would benefit from the reduced terms.

CONCLUSION

Folsom, the DVI, and the Department of Corrections' central office do not always provide sufficient work, education, or training assignments for all inmates who are available to participate, as intended by state law and Department of Corrections policy. As a result, unassigned inmates do not occupy their time productively, and some inmates cannot earn work time credit to reduce their terms as quickly as the law allows. Prison procedures cause delays in assigning some inmates to available jobs, and the lack of assignments contributes to prison overcrowding. Further, the Department of Corrections has not evaluated the historical effectiveness of its work incentive program to improve its cost benefits.

RECOMMENDATIONS

Folsom should continue its efforts to expand its academic education program to increase inmate assignments. Folsom should also consider options such as alternative class sites or double shifts to address problems of classroom space. Folsom's Classification Division should continue to review and reassess the custody status of inmates to determine whether additional inmates can be assigned to work or training assignments previously unavailable to them. Folsom's assignment lieutenant should also periodically reevaluate all

work and training assignments systematically to ensure that close custody inmates are assigned to work or training assignments that are open to them and to ensure that Folsom is placing as many inmates as possible in assignments.

To eliminate delays, the DVI should evaluate its procedures for assigning inmates. For example, the prison should consider an alternative system for prevocational orientation, such as reducing the number of hours that students are typically assigned to the class or assigning only students whom vocational instructors first identify as needing to improve math and other skills. In order to increase inmate assignments, the DVI and the Department of Corrections' central office should also consider expansion of educational assignment opportunities at the DVI for medium and close custody inmates. Alternatives could include, for example, double shifts in academic education, including classes in English as a second language.

The Department of Corrections' central office should implement its plans to automate inmate assignment records by June 1986. The Department of Corrections' central office should also consider the projected potential savings from fully assigning inmates and should evaluate hiring additional work, education, or training supervisors. In order to evaluate the actual cost-effectiveness of adding additional supervisors for

inmates, the Department of Corrections' central office should analyze the effectiveness of the work incentive program since its inception. The analysis should determine the extent to which the program is, in fact, providing inmates with additional incentives to work and the extent to which the program is helping to reduce prison overcrowding. The analysis should determine the cost-effective alternatives for increasing work incentive assignments and should recommend improvements to the program.

CHAPTER VII

PRISONS DO NOT ALWAYS COMPLY WITH THE DEPARTMENT OF CORRECTIONS' VOCATIONAL EDUCATION REQUIREMENTS

Supervisors of the vocational education programs at Folsom, the DVI, and the CIM are not following several Department of Corrections policies. Class attendance records and timecards at all three prisons we reviewed were inaccurate. Also, instructors at Folsom, the CIM, and the DVI did not complete job market surveys in accordance with Department of Corrections requirements, and instructors at Folsom and the CIM did not maintain trade advisory committees for their courses in fiscal year 1984-85 as required. As a result of these deficiencies, the prisons incorrectly computed the number of hours that inmates attended class, courses the prisons offer may not accurately reflect the opportunities for inmate employment once an inmate is released, and labor and industry support may be lacking.

PRISONS' ATTENDANCE RECORDS ARE INACCURATE

The Department of Corrections' Classification Manual Section 314(i) and Business Administration Manual Section 4016(a) require supervisors of inmates to maintain accurate timecards for inmates' work time credits. Each institution we visited provides procedures for completing timecards for inmates in the work incentive program. The Department of Corrections' education services unit provides guidelines for completing class attendance records for

education classes. The unit provides the prisons with class attendance record forms and instructions for recording students' daily attendance in classes. Instructors must record an inmate's daily presence at his vocational assignment both on the class attendance records and on the inmate's monthly timecard.

Instructors at Folsom, the DVI, and the CIM made errors in calculating or recording hours of class attendance, and class attendance records do not agree with timecards. At Folsom, the prison's Custody Division also keeps records on the inmates who are present in the vocational classes to verify the location of inmates should prison staff suspect any escapes from the prison. Sixteen (17.7 percent) of the 96 monthly timecards we reviewed did not agree with the Custody Division's log. Errors occurred on timecards for 5 of the 15 inmates we sampled.

At the DVI, vocational instructors made errors on class attendance records and timecards for calendar year 1985. For February, instructors incorrectly calculated inmates' total hours of attendance in 20 (6.1 percent) of 329 class attendance records we reviewed, and for August, they calculated incorrectly 35 (11.7 percent) of 300 records we reviewed. In addition, DVI instructors transcribe attendance from the class attendance records to the inmates' monthly timecards each day. We reviewed 113 timecards for February, May, August, and October 1985, and found that instructors did not accurately transcribe daily hours on 26 (23.0 percent) of the 113 timecards. In

16 instances, the hours of attendance on the timecard exceeded the hours on the class record, even though the class attendance record is the DVI's supporting document for the timecards.

Finally, at the CIM we found discrepancies that were less significant than those at Folsom and the DVI. We compared 832 class days on 42 timecards with class attendance records and found 113 (13.6 percent) discrepancies between the documents. However, two instructors caused 101 of the discrepancies because they believed they should record on the timecard the actual hours inmates attended class and because they believed they should record on the class attendance records the standard number of hours that vocational classes meet each day. The discrepancies caused by these two instructors did not affect inmate pay or work incentive credits. Three other instructors stated that they made mistakes in transcribing data from one record to the other.

Errors and discrepancies occurred in class attendance records and timecards because instructors do not always consistently and carefully document, record, and transcribe inmates' attendance on either class attendance records or inmates' timecards and because they use different procedures to complete the class attendance records and timecards. In addition, vocational supervisors do not have a system to independently verify the accuracy of and reconcile both class attendance records and timecards. As a result of these conditions, prisons are not assured of an accurate and verifiable timekeeping

system, and inmates sometimes receive inaccurate credit for course completion. In addition, some inmates may receive inaccurate pay.

PRISONS' SURVEYS OF THE
JOB MARKET NEED IMPROVEMENT

Chapter 7700 of the Department of Corrections' Administrative Manual requires institutions to establish vocational training programs and directs the supervisor of correctional education programs and the supervisor of vocational instruction to be responsible for developing, supervising, and evaluating the programs. Sections 7734(a) and 7735(a) of the department's Administrative Manual require vocational staff to conduct surveys of the major employment areas of the State to determine which new programs to start and which existing programs to continue. The purpose of the survey is to verify the employment potential for parolees in a specific vocational field and to obtain names of business people willing to serve on a trade advisory committee.

Supervisors of vocational education programs at Folsom, the DVI, and the CIM have not always followed the Department of Corrections' vocational education policies for improving the quality of the programs. Specifically, Folsom, the CIM, and the DVI vocational education administrators have not complied with Department of Corrections policies for job market surveys. The Department of Corrections requires job market surveys of the major employment areas of the State to justify creating new vocational courses. During fiscal year 1984-85, three of Folsom's vocational instructors carried out job

market surveys for new classes. Two of the three instructors surveyed only the local Sacramento employment area; the surveys did not include information from southern California or the southern Central Valley. Folsom does not always parole inmates to the local Sacramento area, and further, vocational students often transfer to prisons in other areas before they are paroled. The former supervisor of vocational instruction stated that the Department of Corrections' central office instructed him to survey only local markets because surveys of the same courses at other prisons would provide statewide information. However, the central office's assistant chief of vocational education told us that statewide surveys, as specified in the department's Administrative Manual, are required.

The DVI did not always conduct job market surveys when adding a course, changing curriculum, or replacing instructors. The supervisor of vocational instruction stated that in three instances of adding courses to the DVI's program or continuing a previous course, the DVI did not conduct job market surveys. Additionally, the DVI did not conduct job market surveys in six instances when it replaced instructors and in two instances when it added an additional instructor to an ongoing course. Finally, in one instance, the DVI reinstated an upholstery course in spite of having received negative information from a job market survey. The vocational supervisor stated that prison industries needed inmates trained in this skill and that inmates would be employable within the prison system.

Similarly, the CIM did not conduct job market surveys for two vocational courses. The Department of Corrections' education services unit cited the CIM for this omission in its March 1985 audit of the CIM. CIM vocational supervisors stated at the time of our review that the CIM still had not conducted the surveys for the two courses. The supervisor stated that one of the two courses may be discontinued.

Two vocational supervisors at the prisons we visited stated that they believed it was not necessary to conduct a job market survey for classes that they believe have high employment placement. Additionally, the supervisor at the DVI stated that he relies on the trade advisory committee for job market information. Furthermore, two supervisors indicated that if an instructor terminates his employment and leaves a course that is "deemed good" and fills institutional needs, the Department of Corrections requirements to conduct a job market survey do not apply. However, the assistant chief of education stated that the department has not granted any exemptions to the job market survey policy.

If the prisons do not perform job market surveys, they may offer vocational programs that are not current and that do not provide employment opportunities for inmates once they leave the prison. Failure to conduct job market surveys also reduces the contact with potential trade advisory committee members.

VOCATIONAL ADMINISTRATORS AT PRISONS
DO NOT ALWAYS FOLLOW POLICY REQUIRING
TRADE ADVISORY COMMITTEES

Section 7734(b) of the Department of Corrections' Administrative Manual states that labor and management support for the vocational education programs should be sought and that labor and management participation in a trade advisory committee should be solicited. Chapter 5500 of the Administrative Manual assigns responsibility for developing a trade advisory committee to the warden or superintendent and defines the purpose of the committee.

Before 1983, Folsom's Trade Advisory Committee met at least once annually. However, the supervisor of vocational instruction has not held a meeting or otherwise met with all the members of the committee since October 1983. Further, only four of the ten vocational course instructors met with their trade advisory committees during fiscal year 1984-85. In contrast, the DVI's vocational program holds monthly trade advisory committee meetings that include both a general meeting and other meetings to discuss specific courses. Inmates attend the meetings, and DVI staff and committee members use these meetings to discuss course outlines and program goals and to provide demonstrations and additional instruction in technical skills for vocational students.

As a result of not having regular trade advisory committee meetings, Folsom may not be receiving optimum support from the outside labor and management community. According to the supervisor of

correctional education programs, community support of the program is important because Folsom needs donated materials for its vocational courses and current information regarding materials and methods.

Further, not all instructors at the CIM meet regularly with trade advisory committees. Only 4 of 15 classes held trade advisory committee meetings in 1985, and there were no general meetings at all. The instructors that did not hold trade advisory committee meetings for vocational classes at the CIM may be foregoing donations of equipment, materials, and volunteered expertise to their courses through the lack of active trade advisory committees. Inmates may also be losing potential contacts for employment following release.

THE CENTRAL OFFICE'S GUIDELINES ARE UNCLEAR

Although the supervisor of correctional education programs and the supervisor of vocational instruction at each prison are responsible for the management of each prison's vocational education program, the Department of Corrections' education services unit audits the prisons' vocational education programs and identifies their lack of compliance with departmental policy. The unit also provides some guidelines to prisons to improve vocational education program compliance with Department of Corrections policies. The Department of Corrections' education services unit distributed new guidelines for completing class attendance records in August 1985; however, the guidelines do not provide procedures to ensure consistent and careful preparation of both

class attendance records and inmate timecards. For example, Department of Corrections guidelines indicate that timecards are to be accurate and that class attendance records are to be retained for audit purposes. However, guidelines do not state that these documents must be consistent with each other. The unit merely provided a new class attendance form and reiterated instructions for completing that particular form.

Although the education services unit identifies through its audits the job market surveys that have not been completed, according to the unit's chief of vocational education, it does not have an adequate system to determine when institutions add courses or replace teachers. Therefore, it is unable to ensure that the institutions conduct job market surveys as the Administrative Manual requires. Often, the chief stated, the education services unit does not know that a class has been added to a prison's program until it receives the subsequent monthly education report from the prison. Also, although exemptions were not granted to the market survey requirement, the education services unit's chief of vocational education indicated that prisons did not take the time to perform the job market surveys in order to start the classes sooner and, therefore, better comply with the Department of Corrections' full employment requirement. Also, the education services unit has not provided guidelines to the prisons for conducting job market surveys.

Although Chapter 5500 of the Department of Corrections Administrative Manual designates the responsibility for and the purpose of trade advisory committees, it does not include guidelines for conducting the committees' activities. For example, it does not specify the nature and recommended frequency of meetings. Further, Chapter 5500 is not located within the manual's general guidelines for vocational education programs.

CONCLUSION

Vocational education programs at Folsom, the DVI, and the CIM do not always comply with Department of Corrections requirements. Class attendance records are inaccurate, and timecards do not always match attendance records. Vocational supervisors do not independently verify and reconcile the attendance records or ensure that vocational instructors properly complete required job market surveys and maintain trade advisory committees. The Department of Corrections' education services unit has not provided the prisons with clear guidelines for consistently recording class attendance, keeping inmate timecards, conducting job market surveys, or maintaining active trade advisory committees.

RECOMMENDATIONS

To provide an accurate and verifiable timekeeping system for vocational education classes, the supervisors of vocational instruction at Folsom, the DVI, and the CIM should ensure that instructors complete both timecards and class attendance records accurately and consistently. The supervisors of vocational instruction should verify timecards with the supporting documentation and ensure that vocational records are correct.

Further, the supervisors of correctional education programs at these prisons should ensure that vocational supervisors follow Department of Corrections policy by conducting statewide job market surveys for vocational courses when adding a new class, changing curriculum, or replacing instructors. Vocational instructors should also prepare surveys for those courses that currently lack them.

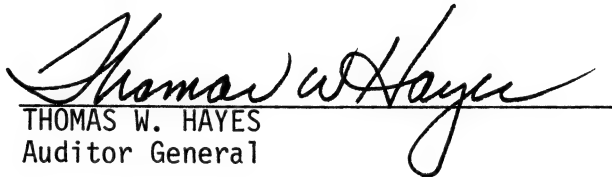
In addition, the supervisors of vocational instruction at Folsom and the CIM should ensure that instructors regularly meet with trade advisory committees for their courses. These prisons should consider holding trade advisory committee meetings that include inmates when feasible.

In order to ensure an accurate and verifiable timekeeping system in vocational education, the Department of Corrections' education services unit should provide prisons with improved guidelines and procedures for preparing both class attendance records and inmate timecards that contain consistent information.

The Department of Corrections' education services unit should systematically ensure that prisons conduct and report on job market surveys before starting or continuing classes and before replacing teachers. Also, the unit should provide detailed guidelines and a format for conducting job market surveys that comply with the Department of Corrections' Administrative Manual. Further, the Department of Corrections' education services unit should improve its guidelines for developing and maintaining trade advisory committees.

We conducted this review under the authority vested in the Auditor General by Section 10500 et seq. of the California Government Code and according to generally accepted governmental auditing standards. We limited our review to those areas specified in the audit scope section of this report.

Respectfully submitted,


THOMAS W. HAYES
Auditor General

Date: April 1, 1986

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**METHODOLOGY FOR COMPARING COSTS OF OVERTIME
WITH COSTS OF HIRING FULL-TIME EMPLOYEES**

To determine whether the prisons' use of overtime is cost-effective, we analyzed the overtime hours that custody personnel worked and calculated the number of custody personnel that worked a full eight-hour overtime shift on each daily watch. For 96.5 percent of the time from July through November 1985, at least 27 Folsom custody personnel worked a full eight-hour shift on overtime each day. For 90 percent of the time from October through December 1985, at least 14 CIM custody personnel worked a full eight-hour shift on overtime each day.

To determine the number of full-time personnel who could be hired to reduce the need for overtime work, we multiplied the prisons' predictable minimum number of personnel who worked full eight-hour overtime shifts each day by the department's 1.64 full-time position factor; this factor includes relief for days that staff are off each week, for vacation, for holidays, and for sick leave. We concluded that Folsom could hire 44 personnel and the CIM could hire 23 personnel, a total of 67 personnel.

We analyzed the cost of overtime compared to the cost of hiring new staff and found that overtime is more expensive. We based the cost of hiring new custody personnel on entry-level salary and benefits, including uniform allowances. (This cost does not include the one-time expense of the salaries and benefits, approximately \$230,000, for these new personnel while they are being trained. The total also does not include the cost of administering the training.) We calculated the cost of overtime using the average hourly overtime wages paid by Folsom and the CIM during fiscal year 1984-85. We adjusted this average hourly overtime wage upward by 5 percent to include the salary raise given to custody personnel in July 1985; we also included the average hourly cost of overtime meals. In addition, we deducted the overtime cost of the personnel who would not be required to work overtime 3.5 percent of the time at Folsom and 10 percent of the time at the CIM.

The one-year cost of hiring the 44 full-time personnel at Folsom is approximately \$1,525,900. In comparison, the cost of paying overtime to 27 personnel is approximately \$1,619,200 a year, \$93,300 more than the cost of hiring 44 new staff. At the CIM, the one-year cost of hiring the 23 full-time personnel is \$796,300, while the cost of paying overtime to 14 personnel is approximately \$848,900, \$52,600 more than the cost of hiring staff. Therefore, Folsom and the CIM could have justified hiring up to 67 full-time personnel and demonstrated a savings of approximately \$146,000 by doing so.

Memorandum

Date : March 28, 1986

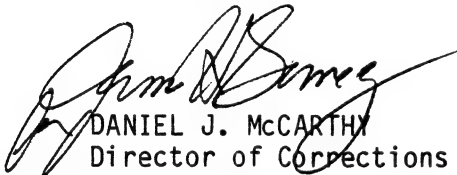
To : Mr. Thomas W. Hayes, Auditor General
Office of the Auditor General
660 J Street, Suite 300
Sacramento, CA 95814

From : Department of Corrections

Subject: MANAGEMENT PRACTICES AT FOLSOM STATE PRISON, THE DEUEL VOCATIONAL
INSTITUTION, AND THE CALIFORNIA INSTITUTION FOR MEN

This is in response to your letter dated March 20, 1986, in which you transmitted the draft report entitled, "A Review of Management Practices at Folsom State Prison, the Deuel Vocational Institution, and the California Institution for Men". Departmental staff have reviewed and responded to each recommendation.

If there are any questions, please contact Mr. R. R. Bayquen, Deputy Director, Administrative Services at 3-4185.



DANIEL J. MCCARTHY
Director of Corrections

Attachment

CALIFORNIA DEPARTMENT OF CORRECTIONS

Response to Auditor General's Inspection Report

Summary

The report by the Office of the Auditor General, entitled "A Review of Management Practices at Folsom State Prison, the Deuel Vocational Institution, and the California Institution for Men", has recommended a number of changes in the institutions. Many of these recommendations involve changes in current procedures which will allow the institutions to function more effectively. These procedures have been, or are being revised to comply with these recommendations. The detailed response which follows provides the specific changes which are being made. Some examples of the changes are:

- . The procurement process at the institutions has been revised
- . Folsom State Prison has revised its warehouse procedures
- . Deuel Vocational Institution is currently conducting an inventory of the maintenance warehouse and storage areas
- . The California Institution for Men will close its warehouse on June 2, 1986, to inventory all supplies and update its records
- . All of the identified employees working out-of-class have been reassigned

Other recommendations, which would require additional resources to implement, will be addressed in the upcoming budget process.

This report needs to be viewed against the current conditions of the State prison system. In the last five years, the inmate population has more than doubled from approximately 23,000 to 51,000 inmates. This tremendous growth is a direct result of laws passed by the Legislature and enacted by the Governor, which have sent more people to prison for longer terms, thereby increasing public safety. Presently, the California Institution for Men is occupied at 200 percent of its design capacity, Deuel Vocational Institution at 210 percent, and Folsom at 159 percent. At these prisons, the people employed by the California Department of Corrections face numerous obstacles as they provide for the custody of inmates. To meet this unprecedented growth taxes all the staff resources at the institutions. However, staff will continue to endeavor to meet all the requirements of laws, rules and regulations, given limited resources in the face of an ever increasing workload.

CHAPTER I

THE DEPARTMENT OF CORRECTIONS LACKS A PREVENTIVE MAINTENANCE PROGRAM FOR PLANT AND EQUIPMENT IN ITS PRISONS

CONCLUSION

The Department of Corrections has not implemented a preventive maintenance program to ensure that all prisons maintain their plant and equipment. In addition, the Department's central office has not monitored the preventive programs prescribed by the operations policies of individual prisons to verify that the policies are being followed. Lack of preventive maintenance can result in costly and unnecessary repairs, inefficient operations due to breakdowns, and higher long-term costs due to accelerated deterioration of plant and equipment.

RECOMMENDATION

The Folsom warden and the superintendents at DVI and CIM should require their maintenance departments to take all steps necessary to implement a preventive maintenance program. These steps should begin with a review of the maintenance department's inventory of plant and equipment, and identification of those items needing regular inspections and servicing. Each maintenance department should develop detailed checklists based on manufacturer's specifications and requirements and determine the standard times for accomplishing the work. Next, the maintenance department should establish inspection schedules and begin the work. When the Department of Corrections' central office develops a standardized preventive maintenance program, each prison's maintenance department should revise its system to conform to the standardized program.

The Department of Corrections' central office should update its procedures manual to formally assign responsibilities for developing and monitoring a preventive maintenance program to specific divisions within the central office. In addition, before completing development of its preventive maintenance plan, the Department's central office should review the Department of General Services' Staffing and Preventive Maintenance Manual. This review should focus on the need for documenting standard times required to perform specific preventive maintenance tasks and the integration of these tasks with preventive maintenance staffing requirements. The central office should also ensure that prisons do not subordinate preventive maintenance to other activities such as special construction projects.

RESPONSE

The Department of Corrections has continually recognized the need for a preventive maintenance program at its twelve existing institutions. That program, designed to systematically service and inspect equipment and property to prevent failure or abuse, has however, been supplanted by the need to provide adequate housing for a severely overtaxed system. Those resources, funds and staffing, have been redirected to provide, at the cost of such a preventive maintenance program, constant repairs to the facilities and equipment that is currently required to service up to 205% of design capacity. Overcrowding has continually been recognized by the Department as well as the Legislature, as a prime factor that accelerates the deterioration of the physical plants.

With the completion of the currently funded New Prison Construction Program (providing 19,000 new beds), the Department will be able to reduce inmate population at existing facilities and realize an opportunity to establish policies and procedures for all elements of preventive maintenance programs at the new facilities as well as reestablish similar programs at the existing facilities.

Recognizing the upcoming relief of overcrowding, the department began planning for a systematic preventive maintenance program by establishing the responsibility for the development of preventive maintenance plans with the Wardens and Superintendents at the existing facilities. Guidelines and functional direction will be provided by the Planning and Construction Division. In addition, a prototypical preventive maintenance system was developed by that Division for the New Prison Construction Program and established at San Quentin State Prison in response to the Court ordered renovation at that institution.

Some preventive maintenance is being completed by the maintenance departments at each institution. However, that preventive maintenance is neither systematic nor formalized because of the continuing pressures of overcrowding. Under the direction of the Chief Deputy Director of Corrections, the Department is beginning its work to create a consistent statewide preventive maintenance program to preserve and protect the state's investment in correctional facilities. To achieve this goal, the Department will be undertaking, in addition to the six basic elements of any preventive maintenance plan outlined in the Office of the Auditor General's draft report (Chapter 1, pages 8 and 9), the following additional activities:

1. The Inmate/Day Labor Program was established to relieve institution maintenance staff of their minor capital outlay and special repair construction activities. This would allow institution staff to return to accomplishing preventive and recurring maintenance workload.
2. The Department has identified resources to establish a Chief of Plant Operations III to vanguard the work effort in developing guidelines and workplans for the development of the statewide preventive maintenance program.
3. The Department will survey the twelve existing institutions to delineate the current state of their preventive maintenance programs as well as identify the methods and resources which will be required to implement the program in each prison (see individual institution responses). Implementation plans and future resources needs will be identified based on this survey.
4. The Department will survey organizations with comparable physical plants and effective preventive maintenance programs such as the Department of General Services, California State Universities and State Hospitals to determine the elements of effective preventive maintenance plans, problems in implementation of those plans institutionally and statewide, their monitoring systems, and the application of current technology to increase productivity and effective maintenance staff in this area.

5. The Department will explore the use of Electronic Data Processing (EDP) tools for use in the implementation and monitoring of the preventive maintenance program.
6. The Department will develop a training program for implementation of the preventive maintenance program as well as identifying consistent and state-of-the-art technology available for preventive maintenance.
7. The Department will develop a central office monitoring system based on its research of effective programs, adaptability to the formal institution preventive maintenance plan, and the availability of technology and resources.

These seven steps plus those identified by the Auditor General will provide a system for an ongoing central office monitoring feature as outlined by the Auditor General. It will also provide a systematic method for identifying the resources, particularly staffing, which will be required for preventive maintenance activities.

Identifying the absence of a systematic preventive maintenance system is the first step in a long and arduous task. It must be noted that the activities outlined above will require unknown, but potentially considerable, additional resources. Assessment of each institution's plan, and the eventual revision of each individual plan to conform to a standardized program, as well as the control and monitoring of such a program by Central Office will be predicated on the availability of such resources. As long as limited resources and overcrowding exist, such a systematic plan cannot be implemented.

In addition, the individual institutions have taken the following actions:

Folsom

It is acknowledged that a preventive maintenance program is necessary and as stated in the Auditor General's Report P-529 Volume 2, "A Comprehensive Review of Management Practices at Folsom State Prison" direction to develop a preventive maintenance program was given in October 1985. Folsom is presently finalizing their inventory of all items of equipment within the facility that should be routinely inspected and serviced. We are also completing the process of obtaining operating manuals to determine inspection and service requirements. We expect completion of the aforementioned by April 15, 1986, at which time an inspection and servicing schedule will be developed showing the frequency and service time required for each item.

It has not yet been determined whether Folsom has the staff needed to appropriately manage a good preventive maintenance program. However, if additional positions are necessary, a BCP will be prepared and a departmental evaluation of the proposal will be completed.

Deuel Vocational Institution

DVI has appointed a new Chief of Plant Operations III who reported March 19, 1986. He is now resurrecting and improving the DVI preventive maintenance program. A system is being developed which will log the amount of time devoted to the preventive program and, as appropriate, future revisions or requests for staff augmentation will be based on information obtained. DVI's system has been

in disuse since 1972, therefore the old card file is inadequate. Equipment is being inventoried and new cards developed.

California Institution For Men

While some preventive maintenance is taking place by the maintenance department at CIM, there is a need for a formalized Preventive Maintenance Program. Under the direction of the Chief of Plant Operations III, personnel will be required to inventory all equipment and machinery in their areas of responsibility which require regular servicing and inspection. Specifications and maintenance schedules will be obtained from appropriate manufacturers. With this information, CIM will establish a preventive maintenance schedule for all equipment and machinery and determine standard times for accomplishing the work. This inventory process will begin at CIM-East and CIM-M May 1, 1986. A reorganization of the maintenance department has been proposed and upon approval, maintenance personnel will be assigned to Reception Center-Central and Reception Center-West. The inventory process will then begin at these facilities. This program will be developed and implemented within a year of the starting time. If it is determined that all four facilities are not staffed to manage an effective preventive maintenance program, Budget Change Proposals will be prepared and a departmental evaluation of the proposals will be completed. This cannot take place until each facility has determined standard times for accomplishing the work involved in a preventive maintenance program.

CHAPTER II
PRISONS ARE SPENDING MORE
ON FOOD THAN NECESSARY

CONCLUSION

The Food Service departments and the Custody divisions at Folsom, the CIM, and the DVI do not exercise the controls necessary to prevent the theft and overconsumption of food. As a result, unauthorized inmate workers and prison staff eat food meant for inmates. In addition, inmate diners eat more than their authorized portions. Therefore, the prisons must spend additional state funds to replenish food, and Food Services Department staff must work to prepare additional meals to feed all inmates.

In addition, the Department of Corrections' central office does not ensure that the prisons operate their feeding programs efficiently and cost-effectively because the central office neither effectively monitors the prisons' controls for restricting food usage through on-site visits, nor receives accurate food usage reports by which to detect significant overconsumption.

RECOMMENDATION

The Food Service departments at Folsom, the CIM and the DVI should develop better controls over food. The Food Service departments should also keep all food storage areas locked unless staff are present, and the food services managers should provide written instructions on portion sizes for all food items. Further, the Food Service departments and the Custody divisions should ensure that inmates receive only authorized portions and that all inmates (including inmate workers) receive only one serving per meal.

In addition, the Food Service departments should routinely count, measure or weigh unprepared and prepared food at important points in the food storage, preparation and serving process. The Food Service departments should use scales and mechanical counters where appropriate. The food services managers should regularly reconcile the meals served to meat portions consumed and report at least monthly to the appropriate management on excess consumption and food waste.

The butchers at each of the prisons should not allow inmates to take or consume food stored in the butcher shops. In addition, the appropriate management should make periodic, unannounced visits to check for employees who violate regulations prohibiting the consumption of inmates' food and notify employees of the specific disciplinary action that will be taken against violators.

The Department of Corrections' central office should ensure that the prisons operate their feeding programs efficiently and cost-effectively. The department's food administrator should train the prisons' food services staff to exercise sufficient controls in restricting food consumption. He should also periodically review the prisons' controls to ensure that the prisons comply with state requirements restricting food usage. Finally, the food administrator should ensure that the quarterly Food Ration Analysis reports are accurate and that he uses them to monitor prison food usage.

RESPONSE

All three institutions have developed and implemented additional procedures and processes to better control food usage and consumption, and to monitor the effectiveness of the controls. Food storage areas are required to be

secured unless in use under supervision by authorized staff; in addition, DVI has changed locks as necessary and limited the distribution of new keys. Procedures on portioning, measuring and pre and post meal counting/weighing, along with written instructions and clarification regarding staff duties and responsibilities have been issued.

Closer supervision is exercised over inmates in food service activities and specific direction to discontinue allowing unauthorized food consumption by inmates has also been initiated. In addition, staff accountability has been re-emphasized; at Folsom and DVI, the Warden and Superintendent have issued memoranda regarding staff consumption of food prepared for inmates and indicating that appropriate action would be taken against violators.

Food service reports, including the Food Ration Analysis Report, are prepared and submitted as required. In addition, at DVI, periodic, unannounced on-site reviews by managers have been increased; at CIM, the Food Manager and Supervisor of Vocational Instruction will inspect the butcher shop and submit a report to their respective supervisors each Monday, documenting problems and methods for correction. The Correctional Administrators for Business Services and Administrative Services and the Supervisor of Correctional Educational Programs will then review the reports and inspect the butcher shop on a monthly basis. Their report of compliance will be submitted to the Chief Deputy Superintendent at CIM.

Ongoing monitoring activities will be increased at all institutions.

At DVI, to diminish the impact of double-backs, hot food items have been moved from the less structured noon meal to the more controlled evening meal. DVI will enforce the policy that rule violation reports be mandated

for inmates who violate Director's Rule 3053 (Use of Food) and ensure that improved supervision is exercised during inmate movement.

At Folsom, as required by Toussaint vs McCarthy, a new kitchen will be constructed, with construction anticipated to begin in March 1987, if proposed special legislation is approved. The kitchen will consolidate all functions, e.g., bakery, main kitchen, vegetable preparation area, storage, etc., and a new butcher shop. This will allow for more effective controls than are now available due to the existing operations and the butcher shop being separated from the kitchen by as much as 500 feet and the main yard, respectively. In the interim, close supervision of the staff in the butcher shop has been ordered.

In the area of Central Office responsibility for food services, it must be emphasized that the role of the Departmental Food Administrator is one of functional responsibility for institution food services programs. This functional responsibility includes the setting of policy, coordination, reporting systems, consultation, and direction of the food services programs; however, the ongoing, daily operations are the responsibility of the individual Wardens and Superintendents, through the Correctional Administrators, Business Services, and the Food Managers. In the past, the inspections made by the current Food Administrator at nine institutions (which have taken from three to five days for each review) have included discussions on portion control and food rationing.

In addition, the Food Administrator does follow up on inconsistencies which come to light in the Food Ration Analysis Reports, consulting with the individual food managers, and Correctional Administrators, Business Services, if necessary, to determine the causes for the inconsistencies and to develop appropriate corrective actions.

A Food Managers Workshop is being prepared for the latter part of fiscal year 1985/86, at which the specific issues of food control and reporting requirements will be covered in detail.

CHAPTER III
PRISONS NEED BETTER CONTROLS OVER
EQUIPMENT, SUPPLIES, AND DRUGS

CONCLUSION

Each of the three prisons we reviewed has deficient practices for controlling property such as equipment, supplies, and drugs. As a result, the prisons are inexplicably missing tools and supplies and must spend additional funds to replace the missing property. In addition, unauthorized medical staff are prescribing and dispensing dangerous drugs. These deficiencies are caused, in part, by the Department of Corrections central office's failure to adequately monitor the prisons' controls over their equipment, supplies, and drugs.

RECOMMENDATION

Folsom's maintenance department should establish stock records for all supplies, and the DVI and the CIM should maintain accurate records on expendable supplies in their maintenance departments. Folsom and the CIM should conduct a complete physical inventory of all expendable supplies, and all three of the prisons should appropriately dispose of all obsolete and excess quantities of supplies identified during physical inventories. Furthermore, Folsom's maintenance department should establish a centralized warehousing system through which the chief of plant operations should require all maintenance staff to requisition supplies.

The maintenance warehouse supervisors at all three of the prisons should keep all maintenance warehouses and storage areas locked whenever the warehouse supervisors are not present, and should restrict access to the

maintenance warehouses and all storage areas so that no one is in those areas unless accompanied by the maintenance warehouse staff. In addition, the warehouse supervisors should ensure that all items removed from the storage areas are accurately recorded in the stock records. Furthermore, Folsom's locksmith should change all of the locks in the maintenance department and the maintenance department should restrict access to the keys.

The property office at each of the three prisons should assign to an individual at each location throughout the prisons the responsibility for all sensitive property. In addition, the property offices should require each individual to use a check-out, check-in system which includes the item's identification number, the person to whom the property is issued, its location, and the dates it is checked in and checked out. Individuals who are assigned responsibility for property should notify, in writing, the property clerk at each prison of any removal of property items. At locations where it is not possible to assign responsibility to one person, employees should use a system by which each employee coming on duty signs a custody checklist for property at the location before relieving the employee going off duty. The property clerks should engrave certain items that may be otherwise be difficult to identify.

The chief medical officer at each of the three prisons should ensure that only persons authorized by law prescribe and dispense dangerous drugs to inmates.

The Administrative Services Division, within the Department of Corrections' central office, should continue its efforts to obtain a materials management coordinator position as suggested by the Department of General

Services. However, the lack of the materials management coordinator position should not prevent the division from fulfilling its responsibilities. The deputy director for administrative services should ensure that his division includes in the Business Administration Manual policies and procedures for controlling equipment and supplies. Further, the Administrative Services Division should ensure that prisons adhere to Department of Corrections policies by periodically observing the prisons' practices.

The central office's chief of health services should develop policies and procedures that require the prisons to correctly prescribe and dispense all dangerous drugs. Furthermore, the chief of health services should ensure that the prisons are complying with laws that prohibit unauthorized individuals from dispensing and prescribing dangerous drugs by periodically observing the prisons' practices.

The inspector general should periodically review the prisons' controls over equipment, supplies, and dangerous drugs to ensure that prisons are complying with state laws and regulations and with Department of Corrections policies and procedures.

RESPONSE

At Folsom, access to the warehouse is now limited to warehouse personnel and authorized warehouse supervising staff only, with any inmate in the warehouse under direct supervision by staff. All Maintenance Department purchasing, receipt, storage and distribution of materials and supplies will be conducted by the Warehouse Supervisor. Further, the Chief of Plant Operations III will be required to sign all purchase requests.

The maintenance warehouse is in the process of being moved to a new location that will allow all maintenance materials and supplies to be locked in a central area. As the supplies are moved, they will be inventoried and recorded on the stock record cards. During this inventory, all obsolete and excess supplies will be recorded and disposed of in accordance with established policy and procedures. When the move has been completed all materials and supplies will be under the direct control of the Warehouse Supervisor and will not be removed without being properly requisitioned and recorded in the stock records. Once the warehouse is established, the Warehouse Supervisor will conduct annual inventories.

The relocation of the warehouse will also allow for improved visual observation and thus improved security as the Warehouse Supervisor's office will be centrally located. Because the move will take a period of time, thus necessitating the continued use of the existing warehouse, new door locks have been installed with keys restricted only to necessary staff.

At DVI, a physical inventory is being made of maintenance warehouse and storage areas, to update stock record cards and identify obsolete/surplus items. Obsolete/surplus items will be appropriately disposed of. Stock record accuracy will be maintained by restricting access to storage areas to the warehouse supervisor or persons accompanied by the warehouse supervisor. Inmates will be required to leave storage areas which will be locked during the absence of assigned staff. All receipt or issuance of supplies will be by, or under the direction of, the warehouse supervisor.

CIM has already discontinued certain practices cited in the report and has instituted new procedures to control supplies and equipment, including, but not limited to:

- ° Requiring all maintenance personnel to remain behind the service counter when requisitioning supplies from the maintenance warehouse and requiring the warehouse supervisor to verify and record items taken.
- ° Recording all issued items on the appropriate stock records.
- ° Utilizing property relocation forms for intra-facility moves of equipment.
- ° Rekeying and enforcing locking procedures for the warehouse and storage area adjacent to the warehouse.

Additionally, the CIM maintenance warehouse supervisor has been instructed to inventory all expendable supplies in the warehouse and update records of supplies on hand. Because of the normal workday duties in the warehouse, it has been determined that this cannot be accomplished without closing the warehouse for a period of time. On June 2, 1986, the warehouse will be closed and all items will be inventoried in order to establish accurate records. This process will take approximately a week to accomplish and will be conducted annually per SAM Section 3535. During this time period, all obsolete and excess quantities of supplies will be identified and appropriately disposed of per procedures. Additionally, all maintenance shop personnel will be required to work two consecutive weekends in June in order to inventory supplies in their shops, set up accurate stock records and identify obsolete stock and properly dispose of it. The annual physical inventory will also include all shops in the maintenance department.

Furthermore, all three institutions are conducting inventories of all equipment, especially sensitive equipment. A variety of methods, including engraving

identification symbols; using check in/check out or checklist systems; designating division/department heads accountable for sensitive equipment assigned to their areas; and incorporating sensitive property inventories into periodic property inventory schedules, will be implemented, as appropriate, to ensure ongoing property control and accountability.

As the report suggests, the Department will continue its efforts to obtain a materials management coordinator. In the meantime, the intention is for the Department of General Services to continue to work directly with the institutions on inventory development, with limited involvement from the Chief of Contract and Business Services. Although the Department recognizes the benefits that could accrue from an active materials management program, the more pressing needs created by inmate and parolee population increases and new prison construction do not permit the redirection of existing resources to materials management.

The role of the Contract and Business Services Section of the Administrative Services Division is one of functional responsibility, even more limited than in the area of food administration. The Departmental Manual of Procedures describes the function of Central Office Business Services as "...the coordination of institutional services with control agencies." The more direct responsibility that the report indicates should be the role of the Business Services Unit has never been its function; procurement activities have always been decentralized, with the responsibility remaining with the Wardens and Superintendents as exercised through the Correctional Administrators, Business Services. However, contracting activities are coordinated through the Contract and Business Services Section in Central Office and direct involvement, including on-site review and training, is standard. This central office involvement

is based on the Section's function to coordinate institution services with control agencies--in this case, the Legal Office of the Department of General Services (DGS). In other procurement areas, DGS deals directly with institutions; the Legal Office does not.

The report also raises the issue that unauthorized medical staff are prescribing and dispensing dangerous drugs illegally. Dangerous drugs are defined as "any drug deemed unsafe for self-medication", per Code 4213 California Pharmacy Law, 1985. The Auditor may have construed some drugs as "dangerous drugs" although they are not considered as such by medical definition.① *

Dispensing of dangerous drugs without prescriptions has been corrected by distributing such medications only with a signed prescription by a physician. However, Medical Technical Assistants (M.T.A.) will still be allowed to honor verbal orders of a physician within the next 24 hours. CIM, DVI and Folsom have all taken steps to ensure such procedures are in place.

The dispensing of dangerous drugs by an M.T.A., a Registered Nurse, or a Nurse Practitioner has been utilized on the Third Watch during the Sick Call for Work Incentive Program participants. The dispensing is under the supervision of a physician. This practice is necessary since there is only a limited number of Pharmacist positions. The Chief of Medical Services has established an audit team that will review the prison's medical operations periodically. The Chief of Medical Services, Institutions Division, discussed this item at length with a member of the Auditor General's staff. It was concluded that the practices and procedures followed by medical staff in the institutions were necessary for their

*The Auditor General's comments on specific points contained in the agency's response begin on page 167.

unique operation. It was agreed that, although these practices are not in complete compliance with the Business and Professions Code, they were appropriate based on current staff assignments.②

The Department of Corrections is conducting a feasibility study on the hiring of additional pharmacy personnel. This study will address the issue of a) providing adequate licensed pharmacists and/or assistants staffing for weekends, vacation, illness relief, and on call coverage for all institutions; and, b) adopting and maintaining a standardized formulary for use in all institutions. This would result in meeting the requirement of the Business and Professions Code Section 4387 and in more frequent inventory of drugs. Also, the issuance of medications would be more timely and the additional supervision of drug dispensing would result in increased control of pharmaceuticals with this increased staffing.

The report also recommends that the Office of the Inspector General conduct compliance audits of the institutions relative to equipment, supplies and dangerous drug control.

It is the responsibility of the Office of the Inspector General to conduct systematic reviews of compliance with existing statute, departmental regulation, policy, procedure, control agency requirement and court mandate and report to affected administrators and the Director of Corrections on deficiencies requiring correction. However, due to priorities and limited staffing, activities have been limited to the development of policy and procedures governing the activities of the Inspector General's Office, development of program compliance worksheets, the critique of American Correctional Association (ACA) standards relative to departmental policy and procedure development, and conducting reviews pertaining to the

Thompson, Toussaint, and Wilson Court Orders at San Quentin and the Toussaint Court Order at Folsom, San Quentin, Deuel Vocational Institution, and the Californial Training Facility at Soledad.

New program compliance and evaluation procedures which require the review of all departmental operations on a biennial basis will afford the Inspector General the opportunity to draw on program staff when conducting program compliance reviews where special expertise is required, i.e., health services. Furthermore, on July 1, 1987 the Inspector General is scheduled to receive one (1) Associate Governmental Program Analyst position on a transfer basis from the Health Services Unit to review compliance with health services policy and procedures within the Department.

CHAPTER IV
PROCUREMENT PRACTICES AT PRISONS ARE DEFICIENT

CONCLUSION

Procurement practices at Folsom, the CIM, and the DVI are deficient. The three prisons made purchases without obtaining more than one price quotation, made purchases at retail prices of items that were available at lower prices on state contracts, made purchases without approval by authorized prison staff, and made purchases without attempting to include state-certified small businesses when they identified vendors from which to purchase goods and services. Further, the prisons procured services and repairs worth thousands of dollars without following appropriate procurement procedures. As a result, the prisons are affording some vendors an unfair share of the prisons' business and unnecessarily paying higher prices for supplies and repairs. Furthermore, prisons are allowing employees the opportunity to make inappropriate or unnecessary purchases and are exposing the State to potential payment of damages for legal liabilities. Neither the Department of Corrections' Administrative Services Division nor its Office of the Inspector General periodically reviews prison procurements to ensure that the prisons comply with state procurement requirements.

RECOMMENDATION

The procurement officers at Folsom, the DVI, and the CIM should require departments that request purchases to obtain the necessary number of price quotations before approving the purchases. In addition, the procurement officers should carefully review all purchase requests that departments claim are for emergency purposes to determine whether the purchases qualify

as emergency purchases according to the guidelines in the State Administrative Manual. Also, Folsom's equipment maintenance supervisor, the DVI's chief of plant operations, and the CIM's chief of operations should require their employees to buy through state contracts items that are available through these contracts. Further, all three of the procurement offices should maintain a list of the individuals, and their respective signatures, who are authorized by the appropriate prison administrator to approve purchase requests. The procurement office should use this list to determine whether the individuals who are signing purchase requests are authorized to do so. The procurement officers should not approve any requests that do not comply with state procurement requirements or that are not signed by authorized individuals.

Procurement officers at Folsom, the DVI, and the CIM should issue, to all prison departments initiating purchases, the Department of General Services' list of state-certified small businesses and should provide training and guidance to the departments, encouraging them to solicit price quotations from small businesses. Folsom's and the CIM's procurement office should encourage local vendors which they believe to be small businesses to apply to be certified by the State as small businesses. The DVI should continue its program of identifying and registering small businesses.

The procurement officers at Folsom and the CIM should develop more extensive written policies and procedures to govern the use of their service and repair orders and service expense orders. The policies should clarify when, and for what type of procurements, staff should use these orders rather than purchase orders or formal contracts, such as obtaining a one-time service not requiring the expenditure of more than \$3,000, when

it is not practical to advertise in the State Contracts Register. The procedures should require competitive price estimates and specific justifications if competitive estimates are not sought for services and repairs totaling more than \$500. If the justification is based on an emergency condition, the guidelines should require a responsible employee who knows about the emergency situation to certify in writing that the emergency did not allow time for obtaining competitive estimates. In addition, the procedures should require that vendors obtain prior approval from the procurement officer if the final cost of the service or repair will exceed the originally approved cost by more than a specified percentage. Also, for any services of a hazardous nature, the vendor must be required to provide evidence of public liability insurance. The procurement officers at all three prisons should carefully review the use of service and repair orders and service and expense orders to ensure that departments at their prisons are complying with these policies and procedures and with other state procurement requirements. For example, the DVI's procurement officer should not permit departments to use service and expense orders to purchase the repair or service of office equipment instead of using the Department of General Services' office machine repair shop.

The Department of Corrections should continue to attempt to obtain a materials management coordinator position as suggested by the Department of General Services. However, the lack of the materials management coordinator position should not prevent the Administrative Services Division and the Evaluation and Compliance Division from fulfilling their responsibilities.

- The Deputy Director of the Administrative Services Division should ensure that his division coordinates and directs the prisons'

purchasing practices and that his division periodically visits the prisons to review and evaluate the prisons' procurement practices. The chief of the contract and business services section should direct the chief of the business services unit to assign to someone in his unit the responsibility for providing guidance to prisons in procurement. This person should review and approve any special procedures the prisons develop for regulating and obtaining competitive price quotations for frequent purchases of items such as automotive supplies. This person should also develop a procedure for the prisons to follow in procuring services and repairs.

- The Inspector General in the Evaluation and Compliance Division should periodically visit the prisons to ensure that the prisons comply with state requirements for the purchasing of goods and services.

Finally, the Department of Corrections should ensure that each prison adheres to the Department of General Services' policy that 25 percent of the dollar value of its purchases be made from state-certified small businesses. Unless the Director of the Department of General Services notifies the Department of Corrections in writing that it has changed its policy, the contract and business services section should instruct prisons to only report businesses that have been state-certified as being small businesses.

RESPONSE

All three institutions have implemented or revised procedures and processes to ensure that procurement activities are conducted in a competitive manner and that procurement office staff approve only purchase requests that conform to all legal requirements. The use of state contracts, as

appropriate, has also been re-emphasized. Also, DVI has contacted the Department of General Services, Office of Machine Repair (ORM), to develop utilization of the ORM Stockton facility in lieu of private vendors.

At both Folsom and CIM, specific competitively-bid master lists of locally purchased items will be utilized for garage purchases when the state contract process is not appropriate. This will begin with the third quarter of the 1985/86 fiscal year at Folsom; at CIM the list will be mailed to prospective vendors by June 1, 1986.

Specific directives (Warden's Directive #407, Property and Equipment-Folsom; and CIM Procedure #152, Procurement Procedures) have been or will be amended to clearly state the need for justification of emergency purchases, and the need for competitive bids, even if only by telephone, for emergency purchases.

In addition, all three procurement offices are in the process of obtaining the names and signatures of all appropriate staff authorized to sign purchase requests. Inappropriately approved purchase requests are and will be returned.

In the area of small and minority business participation, all three institutions are continuing or increasing their activities to enhance small and minority vendors' business. At Folsom, in an effort to increase participation with small and minority business vendors in the geographical areas and to encourage staff participation in the program, the Business Manager has been in contact with the State Office of Procurement, Small and Minority Vendor Program. Staff from this office plan to visit the institution during March 1986 and have agreed to assist Folsom in implementing a program. When the program is in place, department heads

will be given appropriate training. The General Services listing will be used and Folsom will meet the 25% purchasing goals for small and minority businesses.

By April 29, 1986, CIM's Procurement Office will have issued microfiche readers to the Medical Department, Plant Operations and Education Department. Along with the microfiche readers these departments will be given microfiche prepared by Department of General Services, giving information on businesses verified as small business, a listing of vendors alphabetically and a cross listing by commodity. By July 1986, the Procurement Office will provide training on identifying small businesses by using the microfiche. By July 1986, the Procurement Office will develop a form letter which will instruct businesses in the local community on how to apply and to be certified as a small business.

DVI, as mentioned in the report, will continue to assist small businesses in their registration efforts and will distribute and update lists of small businesses to DVI staff.

In addition, the institutions will ensure compliance with procedures and all appropriate documents for service and repair orders. For services of a hazardous nature, Folsom will incorporate all applicable insurance certificates; CIM will continue to process services of this type on a contract, requiring a certificate of insurance and submitting to central office for review and approval.

As discussed in Chapter III, the Department will continue its attempts to obtain a materials management coordinator. However, as stated earlier, there is no intention at this time to expand the function of central office, Contract and Business Services Section, to a more active role in institution procurement activities.

The report also recommends a compliance review function by the Office of the Inspector General in the institutions' procurement activities. The Inspector General is currently coordinating a task force to develop program compliance worksheets covering all major operations of the Department. Checklists for procurement practices are being developed whereas in the past they have been nonexistent. By request, the Inspector General has coordinated peer reviews of procurement practices at the California Correctional Institution and CIM. The Inspector General is currently developing a procedure for peer reviews within the Department to be completed September 30, 1987. The peer review concept may be utilized more extensively in the absence of general program compliance reviews conducted on a two-year basis. It should be noted that the Inspector General is not developing a system for coordinating the procurement of services and repairs between the procurement offices and the departments requesting them.

As stated earlier, the Inspector General has developed a new program compliance and evaluation procedure requiring the review of all departmental operations on a biennial basis. Because of limited staffing and to ensure that the evaluation team has appropriate technical knowledge, these biennial reviews will involve both Inspector General staff and staff with procurement expertise.

Finally, the Department has once again confirmed with the Department of General Services that small businesses do not have to be state-certified in order to be reported in fulfillment of the policy goal to award at least 25% of the dollar value of purchases to small businesses. While small businesses must be state-certified to obtain the 5% small business preference, they do not need to be state-certified to count toward the 25% award goal. DGS has indicated that because of widespread confusion regarding

completion of the "Small Business Monitoring Report" (Std. 810) it may revise the form. Therefore, the Department will continue its reporting of all small businesses, not just those that are state-certified.③

CHAPTER V

PRISONS ARE NOT EFFECTIVELY USING OVERTIME AND ARE ALLOWING EMPLOYEES TO WORK OUT OF THEIR JOB CLASSIFICATIONS

CONCLUSION

The Department of Corrections' use of overtime is not always cost-effective. Folsom and the CIM require their custody personnel to work extensive overtime, much of which is predictable and could be avoided if the prisons hired full-time relief staff. These prisons could hire 67 full-time personnel for whom there is a demonstrated need and still save \$146,000. The Department of Corrections did not analyze the use or cost-effectiveness of overtime in its prisons before eliminating sick leave relief positions for its fiscal year 1985-86 budget. Also, the department has not provided guidelines to or monitored the operations of its institutional personnel office to ensure that they appropriately staff the positions of personnel who are sick over extended periods of time.

In addition, some employees at Folsom, the DVI, and the CIM are working out of their job classifications in violation of state law. As a result, these employees are not always trained for the duties they are performing. Further, the State is incurring unnecessary costs when employees are performing the duties appropriate to job classifications that pay a lower salary. The prisons we reviewed could reduce the number of employees who work out-of-class if supervisors were better trained in their responsibilities to assign appropriate duties and responsibilities to subordinates, and if each prison hired a personnel professional to regularly review the prison's organizational chart and to periodically monitor the assignments that supervisors make.

The Department of Corrections' central office could help reduce the number of employees who work out-of-class if the Department of Corrections' personnel section would regularly audit and review personnel operations at the prisons.

RECOMMENDATIONS

In developing its annual budget, the Department of Corrections should better plan its needs for overtime, ensuring that permanent-intermittent or additional full-time staff replace existing staff working predictable overtime. The department should also monitor the operations of its prisons' personnel offices and provide guidelines for staffing the positions of personnel who are sick over extended periods of time.

In addition, Folsom, the CIM, and the DVI should initiate measures, such as providing training, to ensure that supervisors are assigning their employees appropriate work. Also, each prison should hire a personnel professional to review organizational charts and periodically monitor employee assignments to ensure that supervisors are not assigning employees duties that are not included in the employee's job classification. The personnel offices of the prisons should also take action to more promptly fill vacant positions.

The Department of Corrections should periodically conduct audits of positions to ensure that employees are performing duties consistent with State Personnel Board specified job classifications. The department should also perform studies to establish classifications for positions that do not have an appropriate classification.

RESPONSE

The Auditor General report indicates that a savings would be realized from the hiring of full-time custody employees rather than paying overtime to existing Officers. Our figures indicate that the opposite is true. On a per shift basis, the Department is saving \$11.40 per Officer in paying overtime to existing Officers. The reason for this savings is that the cost per normal work shift includes a factor for employee benefits. In addition, the number of on-the-job workdays differ between the overtime pay rate and a full-time position pay rate. The average on-the-job workday for a full-time position is 223 days per year; whereas, the overtime rate is calculated on 260 workdays per year. Please see the Appendix for a detailed analysis.⁽⁴⁾

Over a year ago, the Department recognized the need for a personnel manager at each institution. As a result, we requested and the 1986/87 Governor's Budget includes a professional personnel position for each institution. The duties of these new positions will include: evaluating overtime requirements for custody staff, ongoing review of duty statements and organizational charts to monitor and preclude out-of-class assignments; periodically monitor employee assignments to ensure that supervisors are not assigning employees duties that are not included in the job classification; and direct and monitor the institutions delegated testing program to ensure timely filling of vacant positions.

Because of the lack of a personnel manager and unprecedented inmate growth, some out-of-class situations do exist. A major contributing factor is the extreme difficulty in attracting qualified individuals for specialized work assignments (e.g., Water and Sewage Plant Supervisor at the California Institution for Men (CIM)) at an institutional setting. In many areas, our

facilities are in remote geographic locations, making recruitment even more difficult. Quite often, due to expediency, institutions utilize specially trained employees for unique assignments. In CIM, a Correctional Sergeant was serving as the Data Processing Systems Coordinator, because he had a technical data processing background which was needed. No one else at that institution had that special expertise. CIM has recently reassigned the Sergeant and is looking at alternate means to fill the job. We are making strides to deal with the out-of-class issue, especially with addition of a professional personnel supervisor at each institution.

All of the identified out-of-class situations are currently being resolved at each of the three institutions. At CIM, for example, the Medical Technical Assistant performing timekeeping duties is being reassigned more appropriate work. An Office Assistant II is assuming the clerical work. Deuel Vocational Institution (DVI) is also reassigning its Plumber Supervisor into a supervisory job and appropriately filling the journey person job with a Plumber I.

It should be noted that out-of-class work is officially recognized by the Department of Personnel Administration (DPA). Most of the the 20 bargaining unit agreements do have provisions for dealing with out-of-class assignments. In many cases, contracts provide for payment of additional salary for out-of-class work at higher levels. This official recognition of out-of-class work mitigates the Auditor General's statement that out-of-class work violated the Government Code.^⑤ The audit report indicated the Department is unnecessarily incurring additional salary expenses in situations where an employee is working in an out-of-class job below his/her salary level. However, in other situations, employees may be working in out-of-class assignments at or above

their current level, thereby making the argument specious. ⑥ The state classification system was designed for flexibility within certain parameters. This allows management to utilize personnel in a variety of ways for short duration work as long as the majority of the duties performed are in conformance with the class specification.

Currently, the Personnel Office has drafted a plan to improve the administration of its classification plan at the institutions. This plan involves reviewing duty statements and organization charts, visiting the institutions, auditing questionable positions, reporting results and monitoring any necessary corrective action plans on a yearly basis. The plan also requires institution managers to review the organization charts prior to submitting them to the headquarters' Personnel Office. The results of these reviews will enable the Department to identify positions that do not have appropriate classifications. These positions will be evaluated and the necessary action taken to establish needed classifications and revise existing ones. In addition, the Department will establish guidelines for staffing the positions of employees who are on extended sick leave and will evaluate the necessity of providing training to supervisors to ensure they are assigning their employees appropriate work.

CHAPTER VI

SOME PRISONS ARE NOT KEEPING ENOUGH INMATES IN WORK OR TRAINING ASSIGNMENTS

CONCLUSION

Folsom, the DVI, and the Department of Corrections' central office do not always provide sufficient work, education, or training assignments for all inmates who are available to participate, as intended by state law and Department of Corrections policy. As a result, unassigned inmates do not occupy their time productively, and some inmates cannot earn worktime credits to reduce their terms as quickly as the law allows. Prison procedures cause delays in assigning some inmates to available jobs, and the lack of assignments contributes to prison overcrowding. Further, the Department of Corrections has not evaluated the historical effectiveness of its work incentive program to improve its cost benefits.

RECOMMENDATION

Folsom should continue its efforts to expand its academic education program to increase inmate assignments. Folsom should also consider options such as alternative class sites or double shifts to address problems of classroom space. Folsom's Classification Division should continue to review and reassess the custody status of inmates to determine whether additional inmates can be assigned to work or training assignments previously unavailable to them. Folsom's assignment lieutenant should also periodically reevaluate all work and training assignments systematically to ensure that close custody inmates are assigned to work or training assignments that are open to them, and to ensure that Folsom is placing as many inmates as possible in assignments.

RESPONSE

In September 1985, a concerted effort to review all close custody inmates for possible custody reduction was implemented by Folsom Prison. Custody reduction is based on security needs and individual case factors. This effort has allowed a reduction in custody for many inmates, therefore affording them the opportunity to participate in training.

At this time, education enrollment and attendance records and inmates who have close custody status are being evaluated to assist in meeting the goal of full employment.

A plan to relocate the academic education program is being developed by Folsom and will be evaluated by the Department. Additionally, positions have been approved for cell study programs within the SHU and will be utilized to provide credit earning assignments.

A preliminary evaluation into the feasibility of increasing security measures needed to allow close custody inmates in the lower yard has been conducted. It has been determined that placing close custody inmates in the lower yard could be workable. However, in order to accomplish this task, major plant modifications and increased staffing levels are necessary. Budget change proposals for additional positions and major capital outlay requests for construction are being prepared by Folsom. A departmental evaluation of the proposal will be completed.

Double shifting has been proposed and rejected. It is considered not feasible due to Folsom's unique security requirements and physical plant.

The Chief Deputy Warden has established a nine member committee to evaluate and determine work/training assignments needed for maximum self-sufficiency in

maintenance and other prison functions. The committee held its first meeting in February 1986.

Folsom has developed reorganization plans that will provide for the Inmate Assignment Lieutenant and the IWTIP Coordinator to report administratively to the Associate Warden Program Services. This will provide for ongoing audits of inmate assignments and increased coordination of staff efforts to maximize inmate assignments. Folsom has greatly increased the number of assigned inmates since the audit. The following figures are indicative of administrative actions taken to improve inmate assignment practices:

DATE	ASSIGNMENT QUOTA	TOTAL ASSIGNED	% OF QUOTA
10/31/85	1605	1179	73.5
1/31/86	1590	1443	90.6
2/28/86*	1719	1589	92.4

*These figures are based on rough draft computations and may vary slightly.

Systematic control of inmate work/training assignments will be implemented upon inclusion of the IWTIP roster into Folsom's DDPS.

RECOMMENDATION

The Deuel Vocational Institution should evaluate its procedures for assigning inmates in order to eliminate delays. For example, the prison should consider an alternative system for pre-vocational orientation, such as reducing the number of hours that students are typically assigned to the class or assigning only students whom vocational instructors first identify as needing to improve math and other skills. In order to increase inmate assignments, the DVI and the Department of Corrections' central office should also consider expansion of educational assignment opportunities at the DVI for medium and close custody

inmates. Alternatives could include, for example, double shifts in academic education, including classes in English as a second language.

RESPONSE

DVI has already streamlined its processes to avoid any duplication and unnecessary delay. There is, however, some delay affecting Level I and II inmates, resulting from waiting for CII reports before outside assignments can be made. There will always be an average of 90 inmates in the waiting mode. An analysis of a date close to the Auditor General's Office (2/1/86 vs. 2/3/86), showed that DVI had enough training slots for all but 26 of their general population, assignable inmates. ⑦ These inmates did not match the skill level of job or education needs in many areas. This, coupled with staff vacancies, prevented full utilization of quotas. Close custody inmates are not restricted from any, inside the fence, daytime assignment area. Identified minimum custody crew positions will be shifted to medium custody areas to better accommodate the custody level of unassigned inmates. DVI is exploring the advisability of employing more teachers and instructors but will not request positions until they believe such positions would result in more assignments. Further, because of the custody level, third watch assignments are not considered viable.

The pre-vocational course is being evaluated to identify the necessity of the program and procedures that could reduce the bottleneck caused by the waiting list.

RECOMMENDATION

The Department of Corrections' Central Office should implement its plans to automate inmate assignment records by June 1986. The Department of Corrections' central office should also consider the projected potential cost savings from fully assigning inmates and should evaluate hiring additional work, education,

or training supervisors. In order to evaluate the actual cost-effectiveness of adding additional supervisors for inmates, the Department of Corrections should analyze the effectiveness of the work incentive program since its inception. The analysis should determine the extent to which the program is, in fact, providing inmates with additional incentives to work and the extent to which the program is helping to reduce prison overcrowding. The analysis should determine the cost-effective alternatives for increasing work incentive assignments and should recommend improvements to the program.

RESPONSE

In October 1985, the departmental Management Information Steering Committee directed the Data Processing Services Branch to develop a computer program for an Inmate Assignment Index (IAI). This index is an adaptation of the U.S. Department of Labor's Dictionary of Occupational Titles for institutional work/training assignment purposes. Implementation of this program is tentatively scheduled for November 1986.

The actual cost-effectiveness of adding additional supervisors for employing inmates can readily be determined by comparing the additional costs of staffing and resources for the existing (and projected) number of involuntarily unassigned inmates in relation to their projected reduced sentences. The department does not concur that this analysis should encompass the inception of the program, as the issue of cost-effectiveness can be analyzed without going back to the program's inception. (8) In line with the Auditor General's recommendation on increasing work assignments, the department has already initiated efforts to develop new and/or additional inmate jobs and education assignments. In addition to reevaluating the current programs for expansion, the department will also reevaluate the existing staff and resources for possible redirection into new programs.

This renewed approach was initiated in January 1986 by the establishment of a departmental ad hoc group to develop labor-intensive/low technology inmate employment programs. A primary emphasis by this group will be the development of agricultural projects using existing state land and other resources. Other non-agricultural projects, including building improvements and any minor capital outlay projects which could be done utilizing local resources or the Existing Facility/Day Labor Branch will be evaluated.

Prior to the implementation of the Inmate Work Incentive Program in January 1983, inmates in the general population had relatively equal access to all the available privileges. As a related element of the rededication by the prisons to the work ethic for prisoners, the department initiated a new approach to inmate privileges. The basic idea of the new privilege system was to reward prisoners who do well on the job and to provide only minimal basic benefits to those who either refused to work or maintain reasonable behavior.

In 1983, the department established through the State Administrative Procedures Act a graduated system of inmate work/training groups. This system is supposed to provide the inmates who work and behave reasonably more and better access to privileges (incentives) such as canteen purchases, family visits, and access to special recreation events than those inmates who voluntarily refuse to work or who are assigned to institutional lock-ups. The department concurs that an analysis of the access and availability of the incentives to the inmates should be conducted. It should be noted that such an evaluation is already an integral part of each institution on-site audit conducted by Central Office staff. The department is therefore already complying with this recommendation and shall continue to do so.

The department also concurs with the latter portion of the Auditor General's recommendation that the analysis should determine "the extent to which the (Work

Incentive) program is helping to reduce prison overcrowding." However, it should be noted that the legislative intent of the Inmate Work/Training law was to reduce inmate idleness and prison violence rather than as an instrument to reduce prison overcrowding. The Legislature provided a method for potential reduction of time of incarceration as an incentive to the inmate who could earn an earlier release from prison by working for it.

Considering the implementation schedule for automating inmate assignment records in November 1986, it would appear that this analysis could be accomplished by March 1987.

CHAPTER VII

PRISONS DO NOT ALWAYS COMPLY WITH THE DEPARTMENT OF CORRECTIONS' VOCATIONAL EDUCATION REQUIREMENTS

CONCLUSION

Vocational education programs at Folsom, the DVI, and the CIM do not always comply with Department of Corrections requirements. Class attendance records are inaccurate, and timecards do not always match attendance records.

Vocational supervisors do not independently verify and reconcile the attendance records or ensure that vocational instructors properly complete required job market surveys and maintain trade advisory committees. The Department of Corrections' education services unit has not provided the prisons with clear guidelines for consistently recording class attendance, keeping inmate timecards, conducting job market surveys, or maintaining active trade advisory committees.

RECOMMENDATION

To provide an accurate and verifiable timekeeping system for vocational education classes, the supervisors of vocational instruction at Folsom, the Deuel Vocational Institution, and the California Institution for Men should ensure that instructors complete both timecards and class attendance records accurately and consistently. The Supervisors of Vocational Instruction should verify timecards with the supporting documentation and ensure that vocational records are correct.

RESPONSE

The Supervisor of Correctional Education Programs at Folsom State Prison, Deuel Vocational Institution, and California Institution for Men will begin by June 1,

1986 to provide training for instructors regarding accurate and consistent recording of inmate attendance. He/she will ensure that all instructors understand and can apply the process.

Beginning April 1, 1986 monthly audits will be conducted of education records and timecards by the Supervisor of Correctional Education Programs to ensure accuracy is maintained. Additionally, the Supervisor of Vocational Instruction and the Supervisor of Correctional Education Programs will audit the completed educational records and timecards for accuracy and consistency of the information on a minimum of once each month.

RECOMMENDATION

Further, the Supervisors of Correctional Education Programs at these prisons should ensure that vocational supervisors follow Department of Corrections policy by conducting statewide job market surveys for vocational courses when adding a new class, changing curriculum, or replacing instructors. Vocational instructors should also prepare surveys for those courses that currently lack them.

RESPONSE

The Departmental Administrative Manual (DAM) Sections 7734 and 7735 outline the present procedure for continuing, adding and/or changing vocational programs. Established procedures have been re-emphasized and are currently being followed.

Further, appropriate DAM Sections 7734 and 7735 will be revised by December 31, 1986 to ensure that the Chief of Education receives immediate notification when instructor position vacancies occur and when institutions plan to add or change a vocational training program. This will provide accountability that job market surveys are conducted. It will be the responsibility of the Supervisor of

Correctional Education Programs to ensure job market surveys are conducted as required.

RECOMMENDATION

Supervisors of vocational instruction at Folsom and the California Institution for Men should ensure that instructors regularly meet with trade advisory committees for their courses. These prisons should consider holding trade advisory committee meetings that include inmates when feasible.

RESPONSE

DAM Sections 7725 and 5520 will be revised by December 31, 1986 to define responsibility for organizing and maintaining trade advisory committees for vocational education. The revisions will include at least quarterly meetings and the composition of the membership.

RECOMMENDATION

In order to ensure an accurate and verifiable timekeeping system in vocational education, the Department of Corrections' Education Services Unit should provide prisons with improved guidelines and procedures for preparing both class attendance records and inmate timecards that contain consistent information.

RESPONSE

The Chief of Education is responsible for providing guidelines for education records only. Training has been provided for the Supervisors of Correctional Education Programs in policy, procedures and guidelines for proper preparation of attendance records. As mentioned above, Supervisors of Correctional Education Programs will provide training in timekeeping procedures

beginning June 1, 1986. Additionally, the Supervisors of Correctional Education Programs will coordinate with their respective In-Service Training Officers to schedule instruction for completing time cards.

RECOMMENDATION

The Department of Corrections' Educations Services Unit should systematically ensure that prisons conduct and report on job market surveys before starting or continuing classes and before replacing teachers. Also the unit should provide detailed guidelines and a format for conducting job market surveys that comply with the CDC, DAM. The CDC Education Services Unit should improve its guidelines for developing and maintaining trade advisory committees.

RESPONSE

As stated above, DAM Sections 7734 and 7735 will be revised by December 31, 1986. This revision will include detailed guidelines and a format for conducting job market surveys. In addition, DAM Section 5520 will be reviewed and revised by December 31, 1986 as necessary to define the responsibilities of vocational education for establishing and maintaining trade advisory committees. Those procedures currently in effect are being re-emphasized in the cited institutions.

Appendix

Cost of full-time position-regular 8 hour shift:

Using the first step of a Correctional Officer, the current year cost of a full-time Correctional Officer is \$159.48 per shift. (\$2,139 x 12 months =

$$\frac{\$25,668}{223 \text{ workdays}} = \frac{1}{\$115.10 \text{ per shift}}.$$

Benefits are applied against the per day costs as follows:

Retirement (24.31%) Workers Compensation (6.04%), Health (\$8.18),
Dental (\$1.25);

Total per day amount is\$159.48

Cost of Overtime Shift:

The base pay total per day amount for overtime is \$148.08.

$$(\$2,139 \times 12 \text{ months} = \frac{\$25,668}{260 \text{ workdays}} = \frac{2}{\$98.72 \times 1.5 = \$148.08})$$

Total per overtime shift\$148.08

Difference \$11.40

No employee benefits are paid against overtime pay.

1/ Average yearly work day calculation:

	<u>DAYS</u>
Days per year	= 365
Weekends	-104
Holidays	-13
Vacations	-15
Sick Leave	-10
NET	<u>223*</u>

*Actual days worked on the job.

2/ Average number of days worked per year to determine overtime rate calculation: The State Personnel Board uses a standard monthly hourly rate of 173.33 hours to calculate overtime pay. The monthly hourly 173.33 x 12 months = 2,080 hours per year/8.0 hours = 260 work days per year.

**AUDITOR GENERAL'S COMMENTS ON THE
DEPARTMENT OF CORRECTIONS' RESPONSE**

- ① All of the drugs that we examined were defined as dangerous drugs in Section 4211 of the Business and Professions Code. We confirmed with the executive officer of the State Board of Pharmacy that this code section appropriately defines dangerous drugs. Further, each prison's pharmacist verified that all the drugs we examined were dangerous drugs.
- ② This paragraph is not accurate. Our staff did not agree that these practices and procedures were either necessary or appropriate.
- ③ Although the Department of Corrections states that it has reconfirmed that the Department of General Services does not require vendors to be certified by the State before agencies may report the vendors as small businesses, the chief of the contracts and business services section of the Department of Corrections acknowledged that the Department of Corrections has still not received this confirmation in writing as we recommend on page 75. Furthermore, the State Administrative Manual requires agencies to use the Small Business Monitoring Report (Standard Form 810) to identify the extent to which small businesses are sharing in the State's purchases. Standard Form 810 itself requires vendors to be certified by the State before agencies may report the vendors as small businesses.
- ④ Although we shared our methodology for comparing the costs of overtime and hiring new employees with the Department of Corrections, the department's analysis does not include several important factors. We used actual expenditures to calculate the cost of overtime because Section 13.05 of the California Correctional Peace Officers Association contract requires prisons to assign overtime first to volunteers with the highest seniority in the department. However, the department used the entry-level wage in calculating overtime costs. Further, our analysis included the cost of overtime meals and the department's analysis did not. Finally, the department's analysis does not include employee mileage costs in its overtime calculation.
- ⑤ Contrary to the department's assertion, the 17 employees in our sample were working out-of-class in violation of the Government Code. None of these employees was working out-of-class in accordance with provisions that permit out-of-class work.
- ⑥ The implication that the savings from assigning some employees to out-of-class jobs offsets the cost of assigning other employees to out-of-class jobs is no justification for assigning any employees to out-of-class jobs in violation of state laws.

- ⑦ We disagree. The DVI lacked work, education, and training assignments for 272 of its 465 inmates who were unassigned. We based our analysis on the prison's records of total population, assigned and unassigned inmates, and vacant assignments as of February 3, 1986. We reconciled our figures with the prison's own February 1, 1986, report of population and vacant and filled assignments; our figures agreed with the prison's report.
- ⑧ We disagree. The actual effects of the work incentive program on incarceration cannot be accurately determined without an historical analysis because inmates who earn work time credit can both lose credit for violating rules and have credit restored for subsequent good behavior. Therefore, projected cost-savings should include an historical factor for the impacts of credit loss and restoration.

cc: Members of the Legislature
Office of the Governor
Office of the Lieutenant Governor
State Controller
Legislative Analyst
Assembly Office of Research
Senate Office of Research
Assembly Majority/Minority Consultants
Senate Majority/Minority Consultants
Capitol Press Corps